

# IN THESE TIMES

Blacks vs. Beulahland

Page 21



VOL. 4, NO. 39

OCTOBER 8-14, 1980

75 CENTS

## Unsafe at any size



Work  
hazards  
in the  
microchip  
industry

Fred Halliday on  
the new Middle East war





# THE INSIDE STORY



David Levine

## Do independent Reagan committees violate the law?

By John Judis

In accordance with the 1974 Federal Campaign Law, Ronald Reagan and Jimmy Carter will each receive \$29.4 million in tax dollars to hurl insults at each other. In addition, the Republican and Democratic National Committees will be able to raise and spend \$4.6 million on their presidential candidates' behalf. They are not supposed to spend another cent.

But Reagan's backers have found a way out. Relying on a 1976 Supreme Court interpretation of the campaign law, they have set up "independent" committees that collectively are expected to spend more than \$10 million to promote his candidacy. To remain within the law, these committees must not consult with the candidate, his representatives or the Republican National Committee (RNC) in conducting their campaign.

Besides subverting whatever democratic thrust the original law contained, the independent committees may also be illegal on their own terms. If two corporations had the kind of interlocking directorates that the Reagan campaign and the independent committees have, they would be prime targets for an anti-trust suit.

Last month, Common Cause filed a suit against the Reagan committees charging violation of the 1974 law. The suit contains no direct evidence of coordination, but cites numerous interlocks and overlaps that create a "presumption of coordination." These include:

- Stuart Spencer, a California campaign consultant who ran Ronald Reagan's 1966 and 1970 gubernatorial campaigns, helped set up the pro-Reagan Americans for an Effective Presidency. Then he joined the Reagan campaign as a top aide.

- Senator Harrison Schmitt, the chairman of the pro-Reagan Americans for Change, has been a Reagan adviser, was a Reagan delegate to the Republican convention, and is on the advisory board of the Republican National Committee. (Americans for Change also is housed next door to Americans for an Effective Presidency and shares a switchboard and Xerox machine.)

- Several of the independent committees use the same pollsters and media consultants—among them Arthur Finkelstein and Bruce Eberle Associates—that

the campaign is using.

But the Common Cause suit does not cite a more suspicious overlap. Early last month, David Keene was hired by the Ronald Reagan Victory Fund, a project of John Dolan's National Conservative Political Action Committee (NCPAC), to coordinate their \$500,000 media campaign in Alabama, Louisiana, Mississippi and northern Florida.

By all odds, Keene should be working directly for Reagan. In 1976, he was the southern coordinator of the Reagan-for-President campaign and was given some credit for Reagan's comeback in the primaries. In 1979, he was squeezed out of the Reagan campaign by John Sears and Charles Black, both of whom were subsequently fired by Reagan.

Keene then became George Bush's political director. After Bush had been defeated, he helped rally support for Bush as vice-president. Most of Bush's other top aides—for instance, James Baker and Brent Scowcroft—are now occupying high posts in the Reagan campaign. Indeed, Bush operatives are supposedly filling most of the posts beneath campaign managers Ed Meese and William Casey.

Why isn't Keene there, too?

And, given that Keene is not working directly for Reagan, why is he working for Dolan's NCPAC? Keene is a former Young Americans for Freedom president and has worked with Dolan on a Virginia Senate race, but he does not share Dolan's "new right" attitude that Reagan is a closet liberal whose main virtue is that he is more susceptible to pressure than a liberal Democrat.

Keene would presumably have objected to the negative Reagan campaign commercials that NCPAC previewed at the Republican convention. One of these featured shots of Dr. Peter Bourne, Andrew Young and Hamilton Jordan with mention of alleged lies and drug use. Reagan campaign advisers were reportedly worried that this kind of advertising could create sympathy for Carter.

Once Keene took over NCPAC's southern operation, they abandoned this kind of negative advertising. "We don't want to attack Mr. Carter personally. We want to make a vote for Reagan seem respectable," Keene told *The Wall Street Journal*. This is, of course, directly in line with the Reagan campaign's strategy in the South.

Was Keene sent in to bring NCPAC into line with the Reagan campaign strategy? I cannot prove it one way or the other, but the circumstances certainly warrant a Federal Election Commission investigation. ■

## Who will John Anderson spoil?

John Anderson's failure to rise in the polls after his debate with Ronald Reagan—whatever the merits of those polls—signals his end as a serious presidential contender. Banks, who were weighing the merit of his case against Carter pressure, will now be unwilling to give him the loans he needs for a respectable media campaign. And the few heavies he still had in his campaign will follow Felix Rohatyn and George Ball's lead back to Jimmy Carter.

But Anderson can still have an enormous impact on the campaign. In 1976, former Senator Eugene McCarthy, with .9 percent of the vote nationally, provided the margin of defeat for Jimmy Carter in Iowa, Maine, Oklahoma and Oregon. A few more votes for McCarthy in Ohio and ballot status in New York

(denied him by Carter's lawyers) and Gerald Ford would now be running for re-election.

If Anderson gets 15 percent or more of the vote, he will draw substantially from Jimmy Carter. At the least, he would cost Carter Connecticut, Massachusetts and New York, whose 63 electoral votes are essential for a Carter victory.

If Anderson gets 5 percent of the vote, he might hurt Ronald Reagan more than Jimmy Carter. It is assumed that the initial defectors from the Anderson base will be voters scared of a Reagan victory; the last to get off will be moderate Republicans and independents, who might have voted for Reagan. Many of them live in the Midwest—for instance, in the upper-middle-class suburbs of Chicago—and their defection to Anderson could cost Reagan Illinois, Iowa and Wisconsin.

So far, Anderson's campaign has been predicated on his ability to win the election. Unlike George Wallace in 1968, he has not presented himself as a protest candidate who could use his victory in a few states to bargain on behalf of certain programs in a deadlocked Electoral College and House of Representatives. When Anderson's foreign policy adviser Alton Frye suggested that he make his differences with the other candidates on such issues as SALT II and the MX missile a possible rallying point for a minority strategy, Anderson rejected the idea.

But lacking this kind of issue, Anderson is reduced to being a spoiler for either Reagan or Carter. He leaves voters little reason not to abandon his candidacy as his chance for winning a majority disappears. ■

## Which candidate favors recessions?

While Reagan, Carter and Anderson still do battle over Kemp-Roth tax cuts, the more sophisticated corporate observers find no appreciable difference among the candidates' economic programs. Some recent quotations:

"The battle between President Carter and Ronald Reagan over their differences on tax cuts obscures a significant development—an emerging consensus on how to solve the nation's problems," writes *Wall Street Journal* editor Kenneth H. Bacon.

"All three major presidential candidates...promise more generous depreciation allowances to spur business investment, a campaign against excessive government regulation, federal spending restraint designed ultimately to produce inflation-curbing balanced budgets, and efforts to restrain rising individual income tax burdens."

In the monthly bulletin of Chase Econometrics, Leon W. Taub argues that "despite a plethora of proposals and substantial election year posturing...relatively few major areas of disagreement exist among policymakers. The broad consensus that has been reached covers virtually all major issues including: the need for a tax cut; the appropriate level of stimulus needed; the balancing of the tax cut in terms of business vs. personal tax reductions; the form of business tax reductions; and the form of personal tax reductions."

Even Reagan adviser Alan Greenspan agreed at the Denver meeting of the American Economic Association that "both President Carter and Governor Reagan argue from a generally similar philosophy."

The differences seem to lie in what each candidate would do *after* his fiscal policies had created high inflation and unemployment. ■

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## IN THESE TIMES

# A war of nationalist ambitions

By Fred Halliday

LONDON

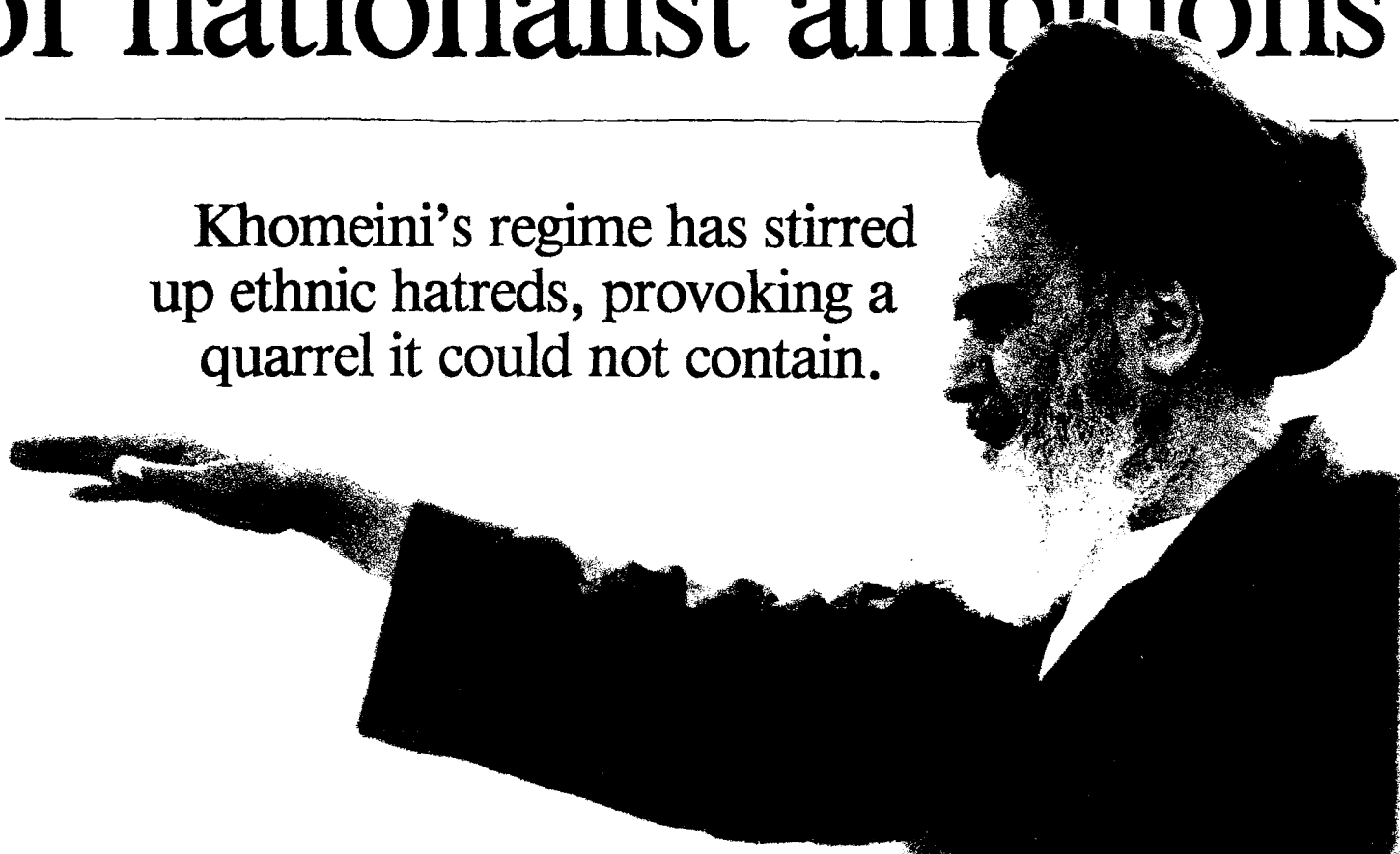
**T**HERE ARE TWO PLAUSIBLE explanations for Iraq's decision to invade Iran on the morning of Sept. 22. The comparatively "soft" explanation is that Iraq was provoked by Khomeini's actions to encourage resistance against the Baghdad government—including the shipment of supplies to guerrilla groups in Iraq and public exhortations to the Iraqi army and to the Shi'ite half of the Iraqi population to revolt. In order to convince its own people it meant business and to assert its dominance in the Persian Gulf region, Iraq took advantage of Iran's governmental and military disorder to attack.

But there is another, "harder" version of Iraq's action—that is, that the Iraqi government intended to invade Iran all along, and indeed developed the plans for such an operation several years ago. According to this interpretation, the Iraqis were quite happy to see Khomeini call for a revolt and carefully nurtured the conflict along the Iran-Iraq border so as to heighten tensions. Once the Baghdad government saw that Iran was internationally isolated, politically divided and economically troubled, it made its move.

On either account, the Iraqis are the deliberate aggressors—and the issues they raise for justifying the attack are, by any standards, trivial. The disputed territories in the mountains near Khanaqin (two areas known as Zayn al-Caus and Saif Sa'id) total 324 square kilometers and are of no significance. The three islands in the Gulf seized by Iran in 1971 are again of no economic and little strategic importance. Their total Arab population at the time of Iranian occupation was less than 100 souls. The islands never belonged to Iraq anyway, but to the United Arab Emirates, whose government has shown no enthusiasm for keeping the issue alive and has resisted Iraqi blandishments to raise the dispute in the UN.

The Iraqi claim to complete jurisdiction over the Shatt al-Arab River along the 40 miles where it forms a common frontier between the two countries is also debatable. The 1975 agreement, stipulating that the territorial waters of each country be divided down the middle of the river, was fair and sensible, and there is no evidence that Iraq has been hindered in its use of the river for access to its major port at Basra. When I visited Basra in April and spoke with Baath

Khomeini's regime has stirred up ethnic hatreds, provoking a quarrel it could not contain.



Party officials, the port seemed to be thriving and no one complained of Iranian harassment on this score.

What the Iraqis really want is to improve their international political position—to win, in the words of one observer, "another Suez," comparable to the political victory won by Nasser in 1956. In addition to consolidating their position internally, they want to destroy Iran as a force in Gulf politics and assert their domination of the region and of the Arab world. Instead of resorting to negotiation over these small territorial issues, the Baathist rulers in Baghdad took what they thought was an opportunity for glory, and in the space of a few days inflicted enormous damage not only on the people and economy of Iran, but also on their country.

But the Iranian regime must also bear some responsibility for the outbreak for recklessly entering into a quarrel with Iraq that it was unable to contain and that has left it unable to defend its own people's interests. By denouncing the Iraqis as "infidels" and "little pharaohs" and by stirring up religious and ethnic sectarianism, they fanned flames against which they have proved incapable of defending their population, since the protracted and diversionary dispute with the U.S. over the hostages has left Iran without adequate military supplies.

The Iraqis have a number of advantages. They have a coherent government and military structure, and the strategic benefits of a first strike. Their oil fields and refining installations are more dispersed

than those of Iran and so less vulnerable to long-term destruction. They have the support of much of the Arab world, which may provide logistical and financial backing during and after the conflict.

The Iranians, on the other hand, have three times the population of Iraq and a large country: whatever their short-term losses, they are not likely to accept any diktat from Baghdad. They have a clear superiority in naval power and could indefinitely blockade Iraqi sea communications. The frontier is much nearer the Iraqi capital, Baghdad, than the Iranian one, Tehran, so that the political and economic impact of sustained air assaults upon the Iraqi capital could be of substantial assistance to the Iranian case. In both camps there is the imponderable of popular support: The Iranian regime does, despite its gross incompetence and many crimes, enjoy the enthusiastic support of many Iranians and seems to have benefitted from the patriotic response to the Iraqi attack. The Iraqi regime, which has always relied on suppression to stay in power, may also have benefitted from a degree of patriotic enthusiasm, but in the longer run its following among the people may be thrown into doubt.

Whatever the outcome of the fighting, the immediate consequences of the war will be extremely negative for both countries, which have relied on oil for much of their government revenues and for the foreign exchange needed to import manufactured goods and food. If, as western experts claim, it will take two to four years to rebuild refineries and petrol

loading installations, then both countries will face catastrophic economic declines, as a result not just of war but of the dire reliance both had developed on oil itself. In the Middle East as a whole, the prestige of Iraq may rise, although the Iranians could counterattack against Saudi Arabia if it showed itself too publicly enthusiastic about Saddam Hussein's crusade.

But the Arab world may be less jubilant about the Iraqi offensive than might at first sight appear. Some Arabs point out that despite their revolutionary rhetoric, the Iraqis have shown themselves rather discrete in the past about helping to confront Israel or other conservative regimes. When the Shah of Iran dispatched counterinsurgency troops to help suppress People's Front guerrillas in the Arabian state of Oman, the Iraqis did nothing to oppose this. And in 1970, when King Hussein of Jordan liquidated the Palestinian resistance in Jordan, the Iraqis, who had 12,000 troops in the country, again took a neutral stand. As reports from Israel itself make clear, the government there is indeed delighted by the Iraqi-Iranian war, which weakens two of its foes and greatly reduces any future moves by Middle Eastern governments to force the Palestinian issue once again.

Both the Soviet Union and the United States claim that the other will benefit from this conflict. The Russians suspect that the Iraqis will, over time, try to install a pro-Western regime made up of right-wing exiles in Iran. They and many Arabs suspect there is more collaboration between Iraq and the U.S. than meets the eye. The Russians also oppose any unilateral move by Western nations to install a naval force in the Gulf. The Americans fear that the Russians could reap an advantage by helping either Iran or Iraq in any postwar reconstruction, or by acting as an honest broker between them. Neither Moscow nor Washington is willing to see the other take initiatives in the conflict that might give an advantage, however disinterested and objectively pacific such initiatives might be.

Bereft as it is of the remotest legitimacy, this war—the product of the nationalist follies of both governments—will cause immense damage to the people of the region. It has almost ruined the economies of both countries. It will fan the flames of racial hatred and prejudice for many years to come. It will force both governments, who vaunt their independence so much, to rely on foreign assistance, and it directly increases the possibility of direct intervention by other powers. If ever there was a time to remember the internationalist lessons of 1914, this is it. ■

Fred Halliday is a fellow of the Institute for Policy Studies' Transnational Institute.

Hussein's forces want to score "another Suez" to assert Iraq's dominance in the Persian Gulf.





# IN SHORT

## Holy moles?!

The United Methodist Church, one of the nation's biggest Christian denominations, is a tool of world communism, according to a nine-page article in the September/October issue of *Good News* magazine.

"How United Methodist Dollars Are Given to Marxist Causes" is based on a research paper by David Jessup, a lay member of the church. Jessup reports that the UMC has granted about \$442,000 to "outside political groups," and he runs down a list of recipient organizations as diverse as the National Congress of Black Lawyers, the National Committee Against Repressive Legislation and the American Indian Movement.

Sensing the start of a *Red Channels*-type witch hunt, a number of the alleged fellow travelers have insisted on their innocence. Donald L. Ranard, a former senior foreign service officer who now heads the Center for New International Policies, told the Methodist newsletter *Newscope*, "We're about as bona fide constitutionalist as you will find."

Others are hanging tough, like Timothy H. Smith, the director of the Interfaith Committee on Corporate Responsibility. Noting that Jessup belongs to the AFL-CIO Committee on Political Education, Smith finds it ironic that "many of the programs that Jessup blasts are actively allied with major trade unions who are working for a better environment for the American worker."

It will be hard for most groups to evade the wrath of *Good News*, since the magazine's editor has a definition of "Marxist" broad enough to include "the McGovern wing of the Democratic Party."

## Balking Union

In California, a resolution by the Central Labor Council of the Santa Clara County AFL-CIO chapter has called on the AFL-CIO Executive Council to cut its ties to the American Institute for Free Labor Development (AIFLD) program in El Salvador. The AIFLD, which has been linked to the CIA and to the overthrow of the Allende government in Chile, hardly seems an ally of "free labor."

## Air play's the thing

It looks like voters in 30 states and the District of Columbia—more than 70 percent of the electorate—will be free to vote for Barry Commoner and LaDonna Harris come Nov. 4. Now the Citizens Party campaign is shifting its focus from ballot access to media access.

"Name recognition is our biggest problem," says Pam Weinstein, one of the campaign's two new full-time media coordinators who are attempting a cure for the nationwide "Barry Who?" epidemic. This involves hounding the networks—only CBS has shown a glimmer of interest—and "making all the right calls" to a generally unimaginative national press, Weinstein says.

Also in the works is a radio ad campaign, financed by the dues of more than 7,000 party members and returns from the party's successful direct-mail drive.

And then there are the minor victories: In response to requests for equal time, Maine's public TV station followed an airing of Reagan classic *Bedtime for Bonzo* with a rerun of Bill Moyers' profile of Commoner.

## Name droppers

A name-recognition problem of another sort beset CBS News when an interoffice memo was leaked to *Variety* following the announced decision of correspondent Marvin Kalb to jump to NBC. Attributed to the CBS Washington news bureau, the memo was considered by some to be in the distinctive style of Kalb and his correspondent-brother Bernard. It reveals that the Kalbs' mother sold her sons' names to CBS in the '50s, giving the network "exclusive rights to the names Marvin Kalb and Bernard Kalb" for 99 years.

"Marvin Kalb," the memo continues, "may soon be assigned to another member of the CBS News family, perhaps a woman. It might be more contemporary. CBS News has not been informed of what name Mr. Kalb plans to use at NBC but according to [Washington news chief Bill] Leonard 'it won't be Marvin, and my lawyers say it can't be Kalb either.' Leonard would not comment on industry speculation that Marvin Kalb had been assigned the name Geraldo Rivera, which was reported purchased last year by NBC News prez Bill Small for a considerable sum."

## Clip 'n' mail

Send news clips and other items of interest to "In Short," c/o *In These Times*. Roma Simon and Chuck Yerkes supplied some information for this column.

—Josh Kornbluth



## Chicago schools tiptoe toward desegregation

Nineteen years after a group of southside Chicago parents first filed suit against the Board of Education charging deliberate segregation of the schools, the board agreed with the Justice Department on a very broad framework for producing a plan for system-wide desegregation of the city's schools to go into effect next fall.

The consent decree, signed as well by a liberal federal judge who will have authority to enforce it, must provide "the greatest practicable number of stably desegregated schools" but does not define what would qualify as desegregated. The plan must include some mandatory back-up to any combination of voluntary measures, which has long been a sticking point with many white parents and school officials. The possibility of metropolitan desegregation must also be investigated.

The consent decree acknowledges that many black or other minority schools will remain little changed in a system that last year was 60 percent black, 17 percent Hispanic and 20 percent white. Those unaffected schools will be guaranteed some special compensatory programs and aid.

Chicago's school board, administrators and political figures have battled state and federal officials at every stage to avoid desegregating the nation's third largest school system, and in recent years have even continued to build new schools to maximize segregation rather than move toward integration.

Although the decree's guidelines are vague, a number of advocates of desegregation feel that the agreement is important as the first time the board has come up with a plan that covers the entire city. During the financial crisis of the past school year, an entirely new school board, with more blacks, a slightly more progressive cast and no die-hard

segregationists, was put in office.

But other desegregation advocates are more critical. The NAACP, irked that it was excluded from the negotiations, filed suit against the decree for failing to set standards of desegregation. And George Schmidt, president of a teachers' group that has strongly advocated desegregation, said, "There's nothing in there but good intentions. As yet there's no evidence that anything has changed."

Although Urban League education director Judson Hixson was pleased that the decree specified compensatory aid to the schools that will continue to be segregated (and nearly everyone acknowledges that it would be difficult and probably foolish to attempt uniform standards throughout the city), Civil Rights Commission researcher Gregory Squires is concerned that such aid "will officially certify those schools as inferior."

Although some critics accuse the Carter administration of striking a pre-election political deal to take the heat off Chicago, and suspect that the Board of Education will use the decree to continue stalling, Citizens School Committee executive director Hank Rubin thinks Chicago is finally on the way to desegregation through the decree. "The new ingredient is that there is now an institutionalized sanction," he said.

—David Moberg

## OSHA fines California docs

In the largest single civil action ever taken against doctors in violation of state pesticide regulations, California's Occupational Safety and Health Administration has fined seven Kern County doctors

\$250 each for failing to report their treatment of 54 pesticide victims.

It was only the second reported case of a California fine levied on a physician for failing to comply with the 66-year-old state law that requires doctors to notify county health officials within 24 hours of any pesticide poisoning.

The poisoning occurred on June 20 when 54 Delano-area farm workers entered a grape field that had been sprayed with a miticide and sulphur. The suffered skin rashes, swelling and other irritation. County and state health officials did not learn of the poisoning for more than three weeks.

In the only previously reported case of a California doctor being fined for failing to report, a Madera physician was slapped with a similar penalty in 1977 but appealed and won. There are between 1,000 and 1,400 reported pesticide poisonings in California each year, but state health officials say the true number is far higher, possibly 50 times higher.

The doctors could have been fined up to \$500.

—George Thurlow

## Residents battle planned pipeline

If a consortium of steel and construction firms has its way, work will begin next June on a steel pipeline that will span half the continent from Port Angeles, Wash., to Clearbrook, Minn. But a group of citizens at the West Coast end of the proposed \$1.6 billion pipeline is determined to prevent even a spadeful of dirt from being turned along the 1,500-mile route.

They charge that the project is motivated by presidential politics rather than the nation's energy needs. The Northern Tier Pipeline, named for the "tier" of five states it will traverse, was designated a priority energy project in January by President Carter. This eased federal permit and licensing procedures for the consortium.

Washington state coastal residents contend they are being asked to bear the environmental and economic costs for a project that cannot be justified except as an element of Jimmy Carter's re-election plans. U.S. Steel, a leading member of the consortium, has said that the pipeline will generate the largest single steel order in history—more than 700,000 tons.

Economic arguments for the project, other than to aid an ailing industry during an election year, are difficult to come by. Originally Northern Tier was proposed in the mid-'70s to ship surplus petroleum from the West Coast to the Midwest. With Alaskan production declining, the Department of Energy has acknowledged that it is impossible to tell whether a surplus will exist when the conduit comes on line. A DOE study labeled the project as unjustified in the absence of major new Alaskan finds.

An additional problem exists even if there is a West Coast surplus. Northern Tier will have the capacity to move 900,000 barrels of oil per day in a region DOE projects will need only 140,000 barrels by the year 2000. Washington citizens in No Oil Port Inc. and Save the Resources believe they can at least delay the project and force it to be scaled down to realistic dimensions.

—David Mathiason



By John Judis

## IN THE NATION

IT IS CONVENIENT TO ASSIGN candidates and political parties places on the right, left and center of the political spectrum. Ronald Reagan and the Republicans go somewhere between the right and the center; Jimmy Carter and the Democrats, along with independent John Anderson, occupy the center; and Barry Commoner and the Citizens Party belong to the left.

But Ed Clark and the Libertarian Party don't fit. Clark's economic philosophy makes Reagan look like a closet liberal. "My goal is not just to cut the fat, but to cut the lean," Clark says in describing his proposed \$200 billion in federal budget cuts. "It is to change the whole approach of solving social problems from a governmental approach to a voluntary, private sector approach."

Clark's proposed cuts would include not only the abolition of the departments of Energy and Education, but also the elimination of the Occupational Health and Safety Administration and the Federal Trade Commission.

But on many social and moral issues, Clark makes the vintage 1972 George McGovern Democrats look tame. Clark opposes any laws on drug use, prostitution, sexual behavior or abortion; and he opposes any restrictions on free speech, from censorship of pornography to the Kennedy-sponsored "Son of S.1." "The right place for paternalism—and maternalism—is in the home, not the government," Clark says.

And on defense and foreign policy, Clark's platform, largely drafted by former Institute for Policy Studies fellow Earl Ravenal, clearly resembles that of Commoner and the Citizens Party. The platform calls for the adoption of a "non-interventionist" foreign policy directed at defending the "lives and liberties" of Americans. It calls for disengagement from American alliances in Europe and the Mideast; political support for democratic rather than dictatorial regimes; free trade; unrestricted immigration; negotiated disarmament with the Soviet Union; an immediate \$50 billion cut in the defense budget; and the use of American weaponry only to defend American shores.

It might be expected that this hybrid of "left" and "right" would win little following for Clark and the Libertarians, but the contrary is the case. The Libertarians are the fastest growing party in the U.S. Besides Clark, they will be running over 500 local candidates for office. In Alaska, where they elected a state legislator in 1978, Clark could come in

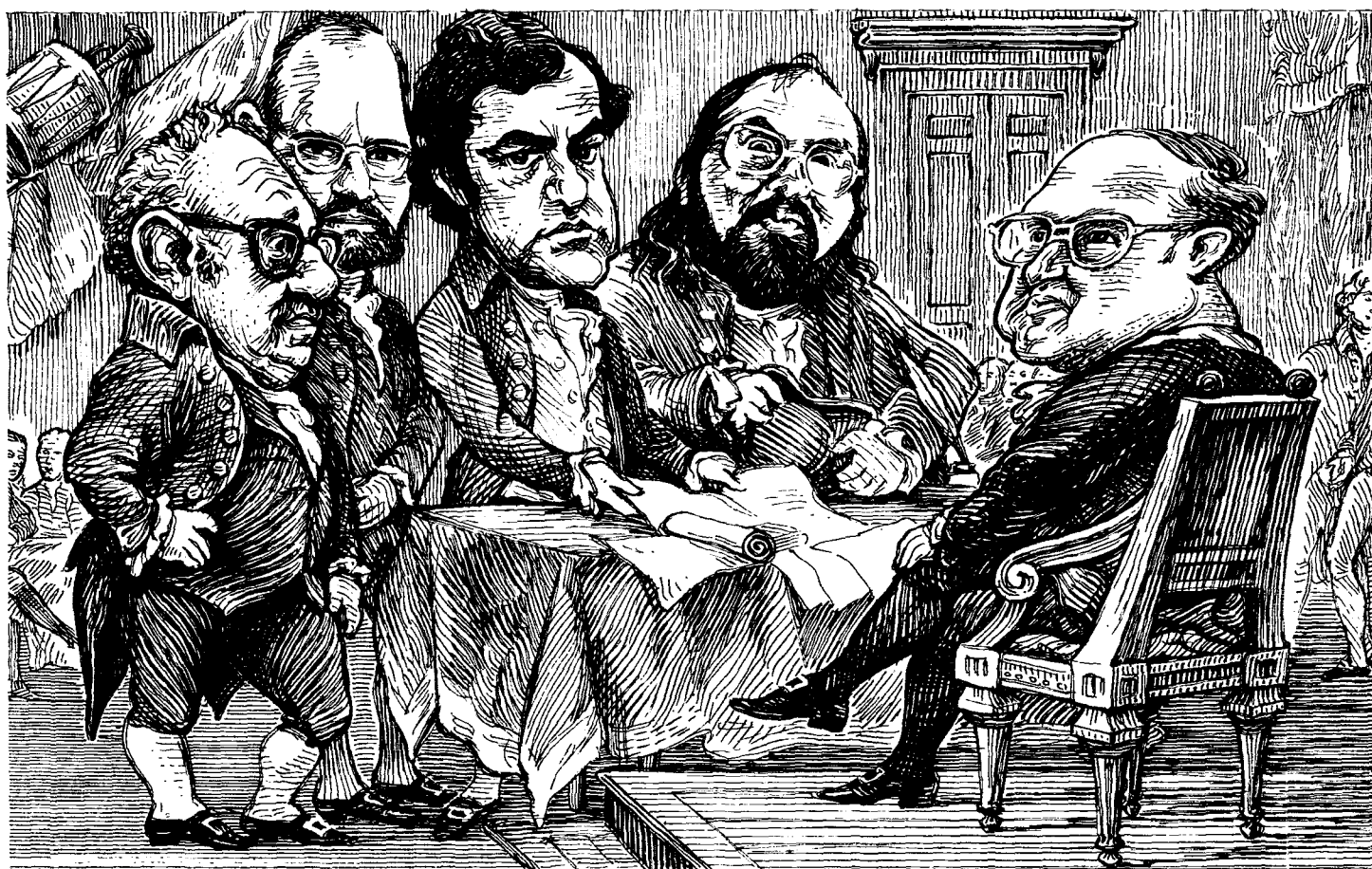
(Above) Leading lights of the Libertarian Party: Murray Rothbard, Israel Kirzner, Earl Ravenal, Roy Childs and Leonard Liggio; (below) 1980 presidential candidate Ed Clark.



second to Reagan. And nationwide he is expected easily to quintuple 1976 candidate Roger MacBride's 180,000 votes.

The Libertarians come out of the American right wing, which split after World War II into neo-feudal conservatives like Russell Kirk, zealous anti-Communists like Whittaker Chambers, and free-market libertarians like Frank Chodorov, Murray Rothbard, and Ayn Rand. The conservatives and the anti-Communists eventually united under the aegis of Goldwater Republicanism, but the libertarians drifted steadily away from the right-wing fold.

The libertarians' guiding principle was opposition to state power, whether it was used to collect taxes, assemble armies, or limit free expression, and support



## POLITICS

## Libertarians mix left, right

for the free market as the embodiment of human liberty. Seeing war as an outgrowth of state power—the "health of the state"—they opposed the Cold War and NATO. And they viewed the anti-Communist crusade as a threat to liberty. "The case against the Communists involves a principle that is of transcending importance," Chodorov wrote. "It is the right to be wrong."

During the '60s, some libertarians, led by Rothbard and Leonard Liggio, joined forces with the New Left in opposing the Vietnam War and in advocating a decentralized democracy. Before their formal break with the conservatives, libertarians even led chapters of the Young Americans for Freedom into the New Left's Students for a Democratic Society (SDS).

The current Libertarian party, which was founded in 1972 in a Denver living room, includes the Rothbard-Liggio libertarians. Rothbard's *For a New Liberty*, written in 1973, remains the chief libertarian manifesto. But the party also includes two other groups.

## Anarchists vs. minarchists.

Rothbard always occupied an extreme within libertarianism. Along with left-wing critics of the Cold War, he saw the U.S. and not the Soviet Union as the principal villain. At the same time, he has remained a full-fledged free-market anarchist, who believes that the entire state apparatus—from the police and the schools to the military and Social Security—should be placed on a private, voluntary basis. He opposes any system of compulsory taxation. In *For a New Liberty*, he even argues for privately-owned streets on which drivers would be required to pay tolls or possess a special license.

Other libertarians, some of whom come out of Ayn Rand's Objectivists, and who are currently grouped around the Santa Barbara magazine *Reason*, fancy themselves "minarchists" rather than anarchists. They believe in a limited government that excludes the modern welfare state, but includes defense, the highway system, and the local police. They also see the Soviet Union rather than the U.S. as the principal threat to world peace and confine their criticism of the American defense budget to the more colossal extravaganzas like the MX missile or the B-1 bomber. Political-

ly, many of them are erstwhile Republicans. The Hoover Institution's Thomas Moore, for instance, says that he will vote for Clark only if Reagan's victory looks certain.

There is another group of libertarians, who were attracted into the party by its support for gay rights and its opposition to the draft, as well as by its economic doctrine. They are Rothbardian anarchists and anti-Cold War revisionists. But unlike their elders, they are also militant foes of nuclear energy (which other libertarians oppose only in so far as it is government-subsidized); they firmly support the Equal Rights Amendment (which some other libertarians see as an infringement on the right to discriminate); and in the words of *Libertarian Review* executive editor Jeff Rigenbach, they tend to be "libertines" rather than simply libertarians when it comes to drugs and sex.

Many of these libertarians come out of Students for a Libertarian Society (which also has a "radical caucus"), and they read and write for Roy Childs Jr.'s *Libertarian Review*. Unlike the moderates, they would be inclined to vote for Commoner or Anderson before Reagan. "He's a monster," Childs says, "a social reactionary, an economic hypocrite and a warmonger."

Of all the libertarians, they are also the most open to the left. Rigenbach, for instance, acknowledges that a decentralized democratic socialism could qualify as a stateless society as long as its citizens were free to adopt a market system if they wished. The main objective, according to Rigenbach, is to "end coercion in human affairs and create a society in which people can live on a voluntary, cooperative basis."

Clark, an anti-trust lawyer for Atlantic Richfield in Los Angeles, was chosen as the party's candidate partly on the basis of his strong showing in the 1978 California gubernatorial race, when he polled 378,000 votes or 6 percent of the total. But he was also chosen because he was delicately poised between the "moderates" and the "extremists."

Clark opposes the Price-Anderson Act (which limits utility company liability for nuclear accidents), but takes no position on nuclear energy *per se*. "Only the market will tell," he says. Clark opposes laws on drugs or pornography, but in-

sists that "my wife and I are just as concerned about bad influences on our son as most parents are." He calls for eventual abolition of public schools, but limits his current proposals to a \$1,200 tax credit for parents who send their children to private schools. Clark supports the ERA and defends the right of gays to teach in public schools, but he adds that when public schools are abolished, parents will be free to select teachers on whatever basis they wish.

Only Clark's foreign policy, which is Rothbard refined by Ravenal, has seriously divided the party and led some libertarians like John Hospers, the 1972 presidential candidate, to dissociate themselves from Clark. "Some libertarians are much too willing to take chances with the security of the United States," Hospers remarked.

## Philosophical limits.

Clark has already qualified for the ballot in all 50 states. The campaign projects a \$3.5 million campaign budget of which about \$500,000 will come from Clark's wealthy running mate Charles Koch, who was chosen for that reason.

The party's greatest appeal is among the white middle and upper middle classes in the West. It has no following among minorities or labor. But among its affluent supporters, it does appeal to a varied lot. In Clark's 1978 race, for instance, he got 13 percent of the vote in traditionally right-wing Bakersfield (where there are probably more John Birch Society members than Democrats), but he also did well among San Francisco gays and among Northern California suburban Independents and Democrats.

The Libertarian Party's appeal is necessarily limited by its economic philosophy, which in the short run makes it abhorrent to the poor and unemployed and in the long run will make it irrelevant to capitalism's growing difficulties.

Libertarians make one central assumption about the capitalist economy: if left to its own working, without government regulation and taxation, it would provide full employment, solve the "energy crisis" and, if sufficiently universalized, do away with war.

Clark claims that energy shortages are entirely "made in Washington" by government-induced inflation, price con-

Continued on page 22.



## AFRICA

## Angola ban may be lifted

By Jim Khatami

NEW YORK

**T**HE U.S. SOON MAY FIND ITSELF involved in a covert war in Angola—and in a *de facto* alliance with South Africa. Such is the apparent intention of a powerful campaign to reverse the congressional ban on secret American support for South African-backed guerrillas waging war against the government of Angola.

In late June the Senate passed a measure repealing the Clark Amendment, which prohibits covert American military aid to any anti-government forces in Angola. At the time of the bill's passage in 1976, the CIA was heavily involved in supporting the National Front for the Independence of Angola (FNLA) and the Total Union for the Independence of Angola (UNITA), two guerrilla organizations fighting against the Angolan government in Luanda.

Since 1976, the FNLA has lost its operational base in Zaire on the northern border of Angola and become ineffective. But UNITA, which is based in Namibia and supported by South Africa, continues to wage guerrilla warfare inside Angola.

The Senate vote for repeal of the Clark Amendment coincided with South Africa's June invasion of southern Angola.

The increased interest in military ac-



UNITA leader Jonas Savimbi urged the U.S. not to recognize the Luanda government.

tion against the Angolan government was reflected in a recent *Wall Street Journal* interview with Ronald Reagan, who claimed that the UNITA leader Jonas Savimbi "controls more than half of Angola.... I don't see anything wrong with someone who wants to free themselves from the rule of an outside power, which is Cubans and East Germans," Reagan said. "I don't see why we shouldn't provide them with the weapons to do it."

Reagan's hostility to the government in Luanda is mirrored by the Carter administration's refusal to establish diplomatic relations with Angola. The U.S. is the only major Western power that does not recognize the Luanda government.

The repeal effort in the Senate was led by Senator Jesse Helms, a conservative Republican from North Carolina with close ties to Ronald Reagan. Yet the

measure, which passed in a voice vote as an amendment to the Foreign Assistance Authorization Act of 1981, was also widely backed by Senate Democrats.

Repeal of the Clark Amendment must still be approved by a House-Senate conference committee that is unlikely to act on the measure before the November elections.

Congressional aides say that Stephen Solarz, chair of the House subcommittee on Africa, and Clement Zablocki, chair of the House foreign relations committee, are determined to prevent repeal. But the aides concede that in the present Cold War climate, their efforts to block repeal may be ineffective.

Though the Carter administration officials have not publicly advocated military action against the Angolan government, it has been widely reported that

both Zbigniew Brzezinski, President Carter's national security adviser, and officials from the CIA have been vigorously lobbying in favor of renewing aid to UNITA and Holden Roberto's FNLA.

According to John Stockwell, a former CIA operative who directed the agency's secret war in Angola in 1975-76, Brzezinski, CIA director Stansfield Turner and CIA Africa division chief Jim Potts "want to arm Savimbi so he'll go over there and fight Cubans."

Since resigning from the CIA in 1977, Stockwell has been one of the most effective critics of American policies toward Angola. His 1978 book *In Search of Enemies* prompted a Senate investigation into Stockwell's charges that the CIA lied to the Congress about the nature of its Angola program.

A number of influential private organizations have been actively promoting the cause of Jonas Savimbi. One such organization, the conservative New York-based Freedom House, sponsored an American tour by Savimbi last November, during which he met with a number of American leaders, including former Secretary of State Henry Kissinger, top labor spokesman Lane Kirkland and Senators Daniel Moynihan and Henry Jackson. At that time, Savimbi sought support and publicity for UNITA and tried to forestall American recognition of the MPLA government in Angola as advocated by the State Department. Since then, anti-Soviet sentiments fanned by crises in Iran and Afghanistan have made the possibility of improved American relations with Angola far less likely.

Moreover, with the resignation of Secretary of State Cyrus Vance and the expected resignation of Assistant Secretary of State for African affairs Richard Moose, State Department opposition to

*Continued on page 22.*

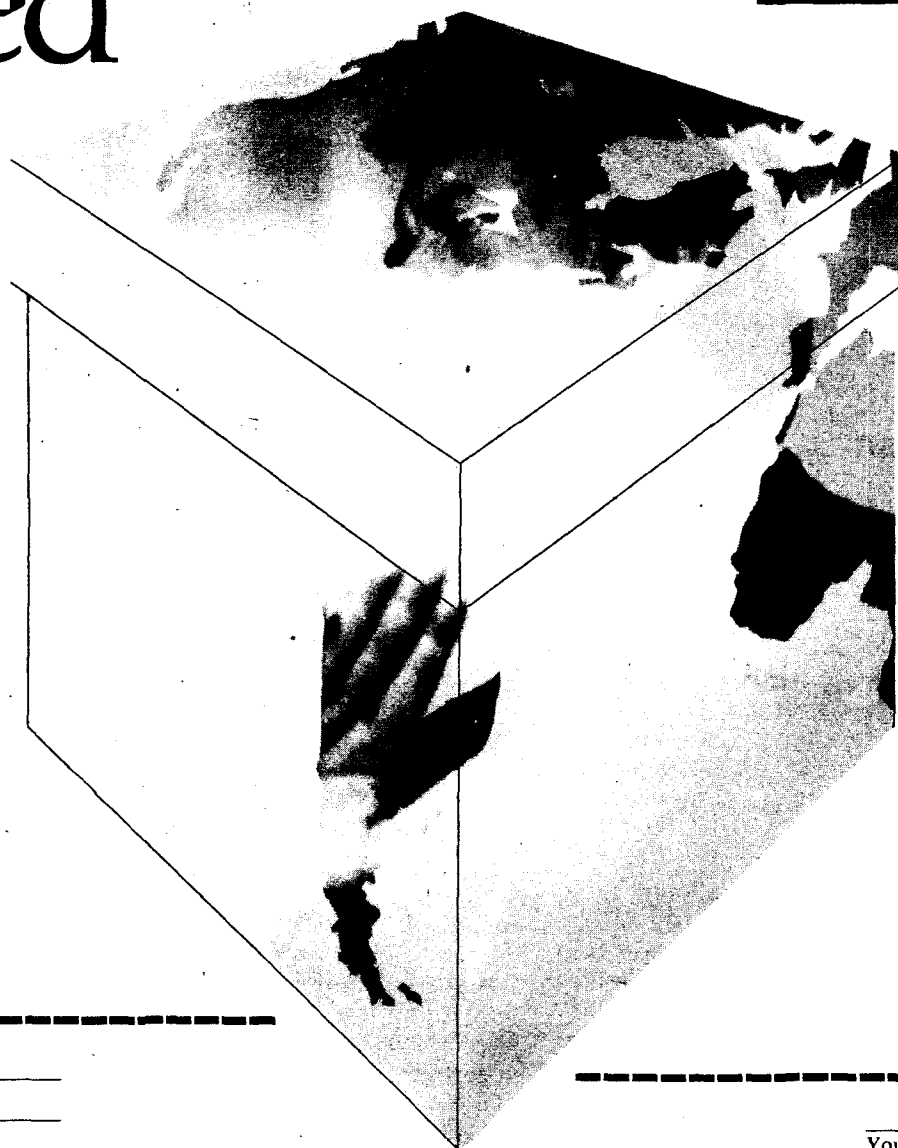
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By Nicole Szulc

LOS ANGELES

**T**HE LONGEST STRIKE IN THE history of filmland may soon be over. Late last week, weary negotiators for the Screen Actors Guild (SAG) and the American Federation of Television and Radio Artists (AFTRA), and four television and motion picture producers emerged from an 18½-hour bargaining session in Hollywood to announce that they had reached a tentative agreement for a new three-year contract.

Two days later, West Coast board members of the two unions voted to recommend ratification of the contract to their memberships. They also decided not to send actors back to face the cameras until the ratification process has been completed. Late on Sept. 29 the New York and Chicago boards followed suit.

But before the strike can actually end, the rank-and-file must give its approval. SAG rules call for a mail-in referendum, and SAG spokeswoman Kim Fellner estimated it will take two to three weeks to tally up the results of the voting. AFTRA members will vote in ratification meetings to be held in the Los Angeles, San Francisco, Chicago, New York and Washington, D.C., locals.

Another obstacle in the dispute, which has virtually paralyzed the industry for nine weeks, is the continued strike by the American Federation of Musicians, and its members who score filmed TV shows and movies. Though talks between the striking musicians and producers are expected to begin Wednesday, union officials have vowed to picket major studios around the clock if producers take an intransigent position.

Many of the actors who have been most vocal throughout the strike, including Ed Asner, TV's Lou Grant, Mike Farrell and Alan Alda from *M.A.S.H.*, Henry Winkler of *Happy Days*, Howard Hesseman of *WKRP in Cincinnati* and Patrick Duffy of *Dallas*, have said they would not cross musicians' picket lines.

But both SAG and AFTRA have "no sympathy" clauses in their contracts, thus making it illegal for the unions officially to endorse that support.

SAG's chief negotiator, Chester Milden, said that in order to avoid problems on that score, and to show open support for the musicians the board members had decided not to send the actors back to work until the whole dispute is resolved.

It is therefore unlikely that the new fall television season will get into full swing before mid-November. So those on the edge of their chairs waiting to know who shot J.R. Ewing will have to bide their time.

The new contract covers a wide range of issues, but the key ones deal with actors' shares in the profits from home video and pay TV and residuals for players in television reruns. Minimum wages for actors are also included, as are pension and welfare benefits.

Under the contract, actors will receive a 4.5 percent share of distributors' gross in the home video and pay TV areas after a show has been exhibited ten days. Pension and welfare benefits bring that figure up to 4.9 percent.

The ceiling for residuals from hour-long network reruns has been increased about 37 percent. This means that an actor who previously earned \$1,600 for a repeated show will now receive \$2,200.

Minimum wages for actors were also increased more than 32 percent over the life of the contract. Under the old contract, actors earned \$235 a day and \$785 a week.

Other clauses include an overhaul of schedules, an increase in overtime benefits, a strong non-discrimination program for women and minorities, and improved working conditions for minors. In addition, SAG members will now have dental care included in their medical plans.

Despite griping by some actors that negotiators compromised too much with the studios, particularly on the home video issue, union officials consider that there are many valuable points in the agreement. For example, the home video and pay TV markets are still so new that

## ENTERTAINMENT



Stars (above, Elliott Gould) came out to support the strike.

## Actors winding up 'the longest strike'

neither actors nor producers know exactly what kind of profits they will produce. And as AFTRA's chief negotiator Sanford (Bud) Wolff pointed out, "We started from zero, so it's a definite improvement."

Nevertheless, negotiators for the actors did have to cede quite a bit of ground to achieve even the agreement they did.

On the home video clause, actors had originally demanded a 12 percent share of profits when the strike began July 21, and they eventually came down to 5.4 percent. Strike supporters like Ed Asner feel that the drop was a slap in the face.

On minimum wages, actors had demanded a 35 percent increase in the first year of the contract. Producers originally offered a 12 percent increase in salary over the first year, with 8 percent rises in the second and third years.

Insiders have also charged that AFTRA was prepared to accept much less on the pay TV portion of the contract—some say as little as 2 percent. This factor appears to have forced SAG negotiators to use up a lot of their bargaining chips in order to get parity for AFTRA.

However, despite some resistance, union officials believe their members will finally approve the contract.

### Solidarity.

Yet the strike has produced interesting results. Longtime Hollywood observers, as well as some union leaders, said they had not expected such unity and dedication from the actors.

Whenever the unions called for massive picket lines, which happened five times during the strike, thousands of actors would show up and walk miles with their signs. The last time a picket was called, some 5,000 actors were on hand to march around the sprawling MGM complex for four hours, much to the delight of tourists and autograph seekers.

"These people don't need the publicity," said Fellner, pointing at Hal Linden and Ron Glass of *Barney Miller*, and Loni Anderson of *WKRP* (who was selling kisses for \$5 apiece to raise money for the strike fund). "They're here because they're really serious about this strike."

Even some lesser-known actors who

were hard-hit financially by the long strike seemed bolstered by the solidarity of their fellows. Actor Barry Weitz, who will co-star in a comedy series scheduled to premiere this fall, had to give up the escrow on a house he and his wife had been saving for for nine years. "But we'd give up ten houses so that actors in this town can get a little dignity," he said.

As it began to appear as though the strike might go on for a long time, SAG looked for ways to help the members who were suffering most from the strike. To raise money for the emergency fund, the union planned a benefit billed as "An Evening of Stars," which filled the Hollywood Bowl and raised almost half a million dollars.

"It was fantastic to see people like Pat Duffy and Howard Hesseman, people who had previously had little involvement with the union other than paying

their dues, working tirelessly to make sure the benefit was a success," Fellner recalled.

But if worker solidarity was at a high in SAG and AFTRA, members of other Hollywood unions that provide support services for the industry—engineers, set designers, hair dressers, clerks and secretaries—who were laid off because of the strike, were sharply critical of the actors for staying out so long.

WOW (We're Out of Work), an ad-hoc group formed by members of the International Alliance of Theatrical and Stage Employees (IATSE) and the Teamsters Union, set up picket lines at the Hollywood Bowl benefit and other places, accusing the actors of "greed" and "avarice" for staying out so long.

Another aspect of this strike is just how much the studios and networks have been hurt. Some observers in the Los Angeles financial community say the major studios—many of which are owned by huge multinational corporations—could actually benefit from the strike if it really does end soon.

This is largely because they have been getting income from television reruns and movies without having to pay anything for original productions. However, independent producers could stand to lose significant revenue as the season for new programming is cut short.

Meanwhile, for the networks, the strike may actually be a boon in the short run. Although they may have taken some advertising losses, and scheduling has gone haywire, programming costs will be further reduced with the use of reruns instead of new expensive shows. One analyst at the A.G. Becker investment house estimated that the strike could translate into a windfall gross profit of some \$5 million a week for the Big Three.

As to the economy of Southern California, long believed to be primarily dependent on the film industry, the strike has shown that it is in fact much broader than Tinseltown.

According to the *Los Angeles Times*, more people are involved in making metal products than in making movies, and the health industry employs three times as many persons, and public education about double.

But perhaps one of the bitterest lessons learned by actors and union leaders alike in this strike is that the studios are so well protected by their corporate structures that they could afford to hold out for quite some time.

"They can just take it as a tax write-off," said one official.

However, even if the results have been less than many hoped for, the experience will serve in the future.

"When the contract comes up again in three years, we'll be ready for them," said Kim Fellner.

Nicole Szulc is a Los Angeles journalist.

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By Joanna Foley

NEW YORK

**S**YDENHAM, CENTRAL HARLEM'S municipal hospital, was scheduled to begin shutting down on Sept. 16. But the staff reported for work as usual and soon the Koch administration faced a major challenge to its plan to close four New York City hospitals.

Determined to save Sydenham, black leaders and community residents moved inside for a sit-in. Outside, supporters picketed daily. Police responded to growing community militance by cordoning off a two-block area around the hospital. A large weekend rally at Sydenham ended in physical confrontation between the police and the demonstrators. "The police beat people unmercifully," says Jim Butler, president of AFSCME Local 420, the union that represents the hospital workers.

The city decided in 1979 to close four public hospitals; Sydenham was scheduled to be the first. Black and Latino leaders noted at the time that all the hospitals to be eliminated served minority communities. Healthcare activists launched vigorous campaigns to keep the hospitals open.

A group of Harlem residents, the Coalition to Save Sydenham, had been coordinating the efforts of churches, unions and community groups on behalf of the hospital. A few months ago, their protests led the city to offer a compromise: Sydenham would be converted into an alcohol and drug treatment facility and mental health clinic.

Although the plan received support from the governor and several black elected officials, it did not win favor with the Harlem community. "To operate anything other than an acute care hospital here will have a devastating effect on our

*Police forcibly broke up the Sydenham sit-in, but no arrests were made.*



## PROTEST

# Harlem fights to save a hospital

health," says Diane Morales, a community health activist.

To block Sydenham's closing, black leaders decided to take direct action after an NAACP legal challenge to the city's plan failed in court. Organizing the sit-ins were the Reverend Herbert Daughtry of the Black United Front, Cenie Williams of the National Association of Black Social Workers and Diane Lacey, a dissident member of the city's Health and Hospitals Corporation, which originally approved the hospital's closure. Several prominent Harlem ministers were also active in organizing the sit-in.

Vigorous support came from Local 420. "We're not just marching to protect our jobs; we could transfer to other hospitals," says Jim Butler. "We want to save Sydenham because the community needs it." Labor support also came from District 65 of United Auto Workers, Local 1199, the Furriers Union and the transit workers.

## A symbol of pride.

Sydenham has been serving Harlem for 55 years. "Once it was the only hospital where our young black doctors could join the staff and bring their black patients," says Jim Butler.

And despite its small (119 beds) size, Sydenham remains important today. It is a symbol of black pride. "All of us identify with Sydenham, even if we live in the Bronx or Brooklyn," says Cenie

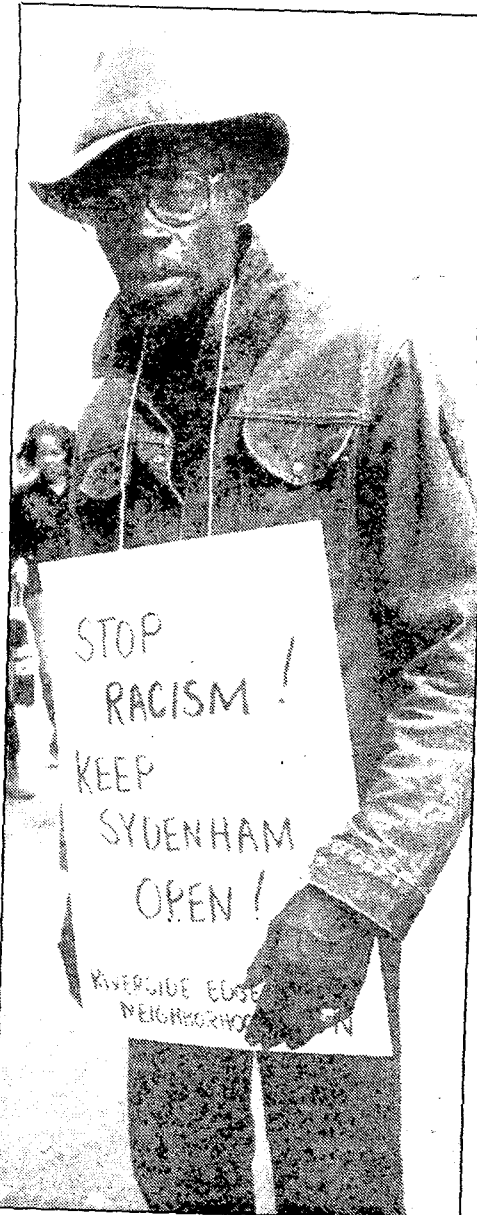
Williams. The hospital also provides badly needed services in a community where other healthcare facilities are strained to the breaking point. "Arthur Logan Hospital was closed two years ago," says Diane Morales. "Metropolitan and another nearby municipal hospital are no longer allowed to serve west-side residents."

St. Luke's, the private hospital in the area, will soon increase its outpatient fees by 50 percent. It will also close outpatient services in pediatrics, medicine and obstetrics/gynecology. The hospital plans to turn away patients who have not been previously served there.

Harlem residents already face the highest death rate in the city and the lowest doctor-patient ratio. If Sydenham closes, the only other hospital choices open to them will be overcrowded, understaffed Harlem General Hospital and small North Hospital, which suffers severe financial problems.

Proposals to delay the hospital closing by two weeks were rejected by an increasingly united Harlem community. Faced with a standoff, Koch ended the sit-in by sending police to remove the protestors in the middle of their tenth night in the building. No arrests were made.

The determined black leaders promptly demanded and got a meeting with the governor to enlist his support for a new plan: to turn Sydenham into a private, nonprofit hospital operated by a community group.



The meeting apparently marked a turning point in the fight to save Sydenham. "The governor believes that \$2.6 million in city funds can be found to keep the hospital open for the next 90 days," Rev. Daughtry reported to a community meeting. "Then Carey promised to go to Washington to help us get federal funds to run the hospital for the next five years as a demonstration project."

The Sydenham activists are too experienced to claim victory based on one positive meeting with a politician. "We don't have anything concrete yet," admits Rev. Daughtry, "so we'll just have to keep up the pressure."

And some observers are pessimistic about the possibility of obtaining federal monies—two other New York hospitals already have been bailed out by federal funds this year.

But whatever the eventual outcome, observers say that the Sydenham activists already have won a rare degree of political unity. "I haven't seen this kind of outpouring of community support in a long time; people of all ages and political interests are working on this," says Diane Lacey. "When 3,000 people turned out for the rally last Sunday it was one of the best days in my life."

New York City health activists hope the Sydenham protestors have won a victory for other communities as well. "This fight at least is going to slow down the municipal hospital closings if not stop them altogether," says one activist. "It is not an isolated struggle."

Joanna Foley writes regularly for *In These Times* from New York.

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# IN THE WORLD

## KOREA

# Chun tightens noose on Kim

By David Fleishman

WASHINGTON

**T**HE DEATH PENALTY IMPOSED on South Korean leader Kim Dae Jung at the close of his trial in Seoul dealt a heavy blow to the movement for democracy in that country. In addition, the sentence against Kim, South Korea's most popular political figure, further widened the rift between Korean army strongman General Chun Du Hwan and his chief backers in Washington, who are still sensitive to charges of propping up brutal dictators.

Nevertheless, Chun's unbridled suppression of dissent is making him look more and more like the man Washington will be dealing with to maintain U.S. interests in the region.

Kim Dae Jung, a former presidential candidate and longtime opposition member of the National Assembly, was arrested along with hundreds of other activist leaders on May 17, the day Chun cracked down on the rising tide of public demand for the democratic reforms promised after the assassination of President Park Chung Hee last October. Six weeks later, Kim and 23 supporters were charged with sedition by a martial law tribunal.

The U.S. State Department quickly responded, openly urging the Chun regime to allow the accused access to their defense attorneys and family members. Assistant Secretary of State Richard Holbrooke, testifying in Congress, called the charges against Kim "far-fetched."

But as the trial date approached, a guilty verdict became a foregone conclusion. Korea's martial law administrators appointed one of their own prosecutors as Kim's defense attorney. Neither family nor journalists were permitted to see the defendants. Newspapers, all controlled by army censors, ran stories daily reporting Kim's confessions to the charges against him. The government-owned television station rushed into production with a two-hour special that was aired in prime time during the trial's opening days.

With the verdict assured, the only question left was the sentence. In the U.S., weeks before the trial, according to one diplomat in Seoul, U.S. ambassador William Gleysteen gave up on the State Department approach of asking for a fair trial and "made a nuisance of himself," urging the authorities not to hand down too severe a punishment.

The trial itself made little pretense of fairness. Reporters were allowed free reign to cover the prosecution's presentation, which went on for more than two weeks. But defense proceedings, which lasted only 50 minutes, could be reported on only from a pre-censored press pool account.

Prosecutors never fully addressed the charges that Kim instigated the rebellion in Cholla Namdo province and the massive demonstrations throughout the country in May of this year. Instead, they focused on charges that seven years ago Kim created and led an "anti-state" organization in Japan. In 1973, Kim went to Tokyo for discussions with the leadership of the Hanmindong, an association of Korean exiles opposed to Park Chung Hee's authoritarian rule. The Hanmindong campaigned hard for Kim's freedom after he was kidnapped from his Tokyo hotel room during this visit by Korean CIA agents and imprisoned in Seoul. In a show of support, the Hanmindong named Kim its chair, even though he was in jail.

When asked by a foreign reporter why



*Kim Dae Jung, Korea's leading advocate of a more democratic society, has been sentenced to death by the new regime.*

Kim wasn't charged earlier for his actions seven years ago, prosecutors explained that Kim's past record was dusted off and re-examined when he "renewed his anti-government activities" this past spring.

When the defendants were allowed brief statements on the last day of the trial, each and every one of them denied the confessions that were used against them. Several defendants had broken bones, and all claimed they had been severely beaten.

### Clamping down.

Korea's vigorous movement for democracy has been silenced, at least for the near future. Virtually all of its experienced leaders are in detention, and hundreds of activists were killed in the May rebellion. Hundreds more are reported to be in hiding.

In late July, Chun permanently closed down 172 newspapers and magazines, among them most economic and business journals, student publications, and the press in Cholla Namdo province, where the tradition of struggle against authority is the strongest. Also included in the ban are South Korea's most highly respected intellectual weekly and even government-published economic reports.

In addition to placing army censors in the newsrooms that remain open, Chun has put further pressure on the editors of the country's seven daily newspapers. He announced that three of the seven dailies will have to close, allegedly to conserve scarce newsprint paper. The four papers permitted to continue will be chosen on the basis of loyalty to the nation's interests. Now, even editors who occasionally attempted to report on dissent find themselves competing to outdo each other in building Chun's image as a strong but austere leader.

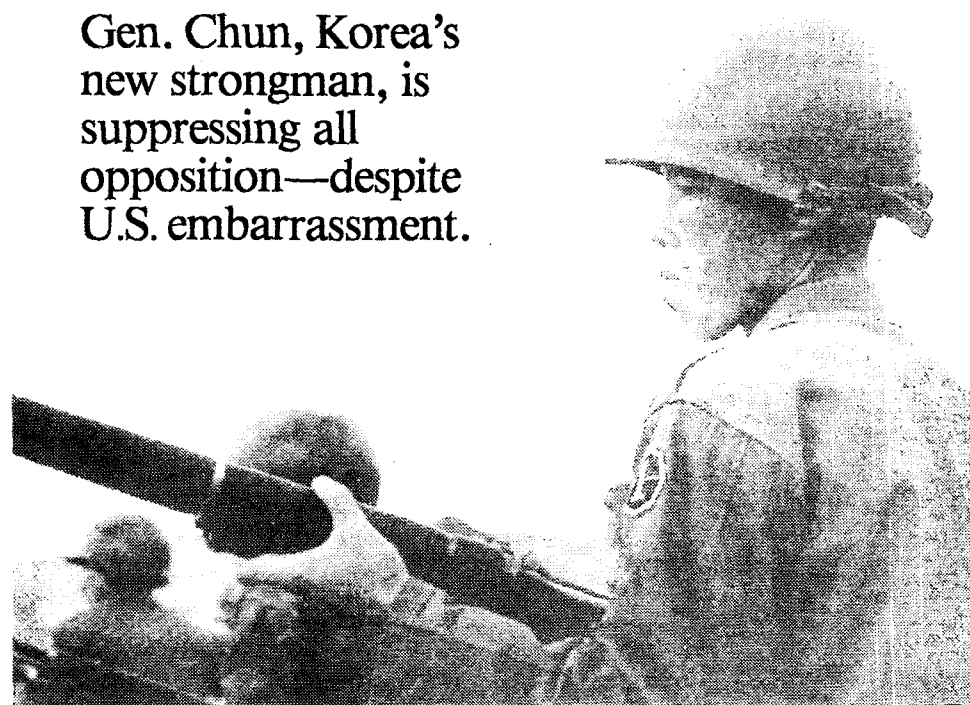
Since Chun took power in December, the U.S. State Department has applied mild but steady diplomatic pressures for the democratic reforms promised after Park's assassination, repeatedly calling for open elections to create a broad-

based, constitutional government and more recently trying to influence the outcome of Kim Dae Jung's trial.

From the beginning, though, Chun has simply brushed aside American protests, counting U.S. military and economic interests in Korea to outweigh other political considerations.

Chun's initial Dec. 12 coup was staged

**Gen. Chun, Korea's new strongman, is suppressing all opposition—despite U.S. embarrassment.**



with troops under the command of U.S. General John Wickham, in blatant defiance of the U.S.-Korea joint forces agreement. The agreement was further abused in May, when Korean army units were pulled off the DMZ in the north and used to put down the rebellion in Kwangju.

When U.S. Ambassador Gleysteen returned to Seoul after a brief recall to Washington for consultations with Jimmy Carter during the Kim trial, he had to wait days to see Gen. Chun. But, busy as he was, Chun found time to get together with Ronald Reagan's foreign policy adviser Ray S. Cline.

As one of the first graduates of South

Korea's own military academy, Chun stands in contrast to his predecessors, all of whom rose to power under American tutelage and were ever mindful of their dependence on U.S. support. Chun and the men around him are not afraid to play hardball with Uncle Sam.

Carter's change of heart on withdrawing U.S. troops from Korea sharply eroded any influence he may have had over Chun. The president further bolstered Chun's position by recently telling the *Boston Globe* that he now feels that removing any of the 40,000 GIs in Korea "might destabilize that whole region of Asia and have deleterious effects for us..."

The new rulers in Seoul can feel safe, too, that the huge economic leverage the U.S. wields over them will not be used. Recently, 32 U.S. Representatives wrote a letter to President Carter, asking that the Export-Import Bank loans to South Korea, the bank's number one beneficiary, be terminated as required by law to serve the human rights goals of U.S. foreign policy. In reply, the State Department called the suggestion a "serious mistake" and threatened a loss of American jobs if loans to Korea were denied. The U.S. nuclear industry, for example, faced with famine at home, still has its eyes on a Korean feast, as plans for 40 plants by the year 2000 are slowly implemented. Westinghouse has won contracts for six Korean nukes so far, all financed by huge Ex-Im loans.

Differences of opinion among U.S. officials further assure Chun that he has nothing to worry about. While the State Department and Ambassador Gleysteen were urging moves toward democracy, Gen. Wickham, commander of U.S. forces in Korea, told the press that Gen. Chun would make a fine president, one he would work with closely. (The incident recalled the top-level policy clash between ex-ambassador Sullivan and national security adviser Brzezinski during the Shah's final days.)

While the Kim Dae Jung trial was in session, public U.S. pressure on Chun was dropped, presumably to be replaced with a quieter diplomacy.

The death sentence against Kim can be appealed for three months, and could still be commuted by Gen. Chun. Some Koreans believe that Chun wouldn't dare hang Kim Dae Jung, whose personal following gave him 47 percent of the vote in a clearly rigged election against Park Chung Hee. Others point to the quick and efficient execution of Park's assassin, Korean CIA head Kim Jae Kyu, as evidence that Chun's grip on power

shouldn't be underestimated.

And many speculate that Chun plans to use Kim Dae Jung as a bargaining chip in his dealings with Washington. Kim's life will be traded for further aid concessions and unconditional support from the U.S. administration. Kim's execution would be an additional embarrassment to a harried U.S. president who still speaks of human rights as a criterion for foreign relations.

And as Chun made clear by receiving Cline, Korea's new leaders know that after November, they may be working with a U.S. president less troubled by ruthless suppression of dissent in the name of protecting freedom. ■



## ENERGY

# Britain locks into a nuclear future

By Nan Koltnow

ONE BRITISH INDUSTRY THAT has been spared Margaret Thatcher's widely-wielded axe is assured by the present government of steady growth into the next century: the nuclear power industry. Mrs. Thatcher has made a name for herself as a woman who is unwavering in her public convictions. As she cuts adrift one sector of the economy after another in the sea of free enterprise, she has not bowed to the pressure—from members of her own party or from members of the press and public—to become more moderate, so it appears unlikely that the prime minister will withdraw her support for a new generation of nuclear power reactors. Despite safety problems and serious accidents, Britain is firmly dedicated to pursuing a nuclear future.

Mrs. Thatcher did not bring nuclear power to Britain. That was well established on the scene by 1960 and has made a reliable contribution to the electrical supply for nearly 25 years. In Britain, "nuclear power" is not a codeword for evil. This has much to do with the altogether different structure and history of the industry. The civilian nuclear power industry grew out of Britain's post-World War II need to fuel nuclear submarines and to produce bomb-grade plutonium. Thus nuclear generation of electricity, originally a by-product of plutonium production, has always been centrally mandated, operated and distributed by the United Kingdom Atomic Energy Authority (UKAEA).

In Britain, nuclear power has been a lifesaver. Coal mining deaths number 60 a year, injuries around 500. There have been few deaths directly attributable to nuclear power generation. Furthermore, releases from burning coal include carcinogenic and radioactive particles.

## Old hands.

Calder Hall at Windscale, the first publicly recognized nuclear power station in the world, was switched into the National Electricity Grid by Queen Elizabeth II in 1956, and was still feeding electricity into

the grid twenty years later. Britain's entire first generation of nuclear stations was 26 of these Magnox models, so called because of the magnesium alloy jacket surrounding the fuel. Although the Magnox reactors themselves have performed admirably, the spent fuel is highly radioactive and has caused serious problems of deterioration as it is stored for long periods.

The second generation of nuclear reactors came off the drawing boards in the early '60s. Nearly the whole program proved unsatisfactory after design and construction errors and long delays in building. The containment building of one plant was built too small for the reactor. At another new power station, water was pumped into the reactor, making necessary \$46 million in repairs.

Nonetheless, the government undertook to order 32 more reactors from 1974 to 1983; this plan was later reduced to six. Final go-ahead has just been given for two.

Thatcher's own ordering program, unveiled earlier this year, is to build one nuclear plant a year from 1982 to 1995, at which time the share of nuclear-generated electricity will have risen from about 12 percent to more than 20 percent. (In 1955, planners believed that by 1980 nuclear power would supply half of Britain's electricity.)

In these times of rapidly falling GNP and industrial electrical demand, the prime minister's plans invite severe criticism, for a cursory examination of energy statistics shows a sizeable overcapacity in electricity. Her reasons for such a steady ordering program have little to do with the power needs of the country.

The creation of jobs—or that appearance—has always been one of the government's main arguments for nuclear power. This posture has been popular in gaining the support of construction and engineering unions. The Trade Unions Council has been "firmly committed" in its stand on nuclear power—"...No other alternative will underpin prosperity and job security."

But, in fact, employment in the capital-intensive electrical industry in England and Wales fell 27 percent from 1967

to 1976, despite a rise in electrical demand by a third over that period. Since 1976, the economy has turned down steeply and last year there was actually a fall in electrical demand of 8 percent. Estimates are that power demand will fall 20 to 30 percent by the end of the century. The two new plants will provide 2,000 jobs at a cost of \$5.5 billion; this at a time when some school districts in England are unable to buy textbooks for lack of funds.

Part of that fall in demand comes from the recent popularity of natural gas. Gas has been so cheap, and so immensely profitable for the government, that the government-controlled price of natural gas has risen 29 percent this year to put it on a par with electricity and to stem the flood of new gas customers' at the expense of electric.

Some critics of the Thatcher government claim she is using nuclear power as a weapon against the Miners Union, by far the most militant and one of the most powerful unions in the country. When Thatcher was forced by the falling electrical demand to re-evaluate her ordering schedule, she said that one tactic was to

agencies, but together they are unable to prevent accidents. At Windscale alone during the first 26 years of operation, 177 incidents serious enough for formal investigation have been recorded. A fire in 1957 in a plutonium production reactor burned out of control for more than 24 hours; 11 tons of uranium burned and iodine-131 radioisotopes were released in large quantities into the air. Two million liters of contaminated milk were dumped and crops from 300 square miles destroyed.

In August of this year it was disclosed that leaks of radioactive water to soil around the plant have been going on for 20 years but that the techniques to "remove, control and handle" the soil have not been devised. British Nuclear Fuels Ltd. (BNFL), the UKAEA-owned company that operates and supplies the plants, says no danger to workers at the plant or to the public exists, but "attempts to cut a trench to check the source were abandoned on safety grounds when radiation levels became too high."

At public hearings in 1978, the government and BNFL argued that expanded reprocessing space would enable Brit-



accelerate the shut-down of older coal-fired plants while continuing to build nuclear.

In part, this is because the first generation of Magnox reactors soon will have come to the end of its useful life. And even though 450 years of coal reserves remain in the ground, successive governments have planned to replace the Magnox plants with other nuclear plants.

## Fast breeders.

Faced with the eventual disposal of ten tons of plutonium generated as a by-product of 20 years of thermonuclear reactor operation, the UKAEA is now planning to build fast breeder reactors. The government needs FBRs to dispose of its stockpiled plutonium and waste uranium, and once committed to an FBR program there must be thermal reactors as a continuing source of fuel. Plans now are to build eight FBR stations by the year 2001.

In fact, Britain already possesses an experimental fast breeder reactor in operation since 1959, located on the desolate north coast of Scotland. Its fuel comes by ship through the roughest waters of the British coast from the power complex at Windscale, the site of the most frightening events in British nuclear history.

Located at Windscale are working reactors, fuel reprocessing facilities and facilities for the storage of nuclear waste of all grades from the entire island. Once sorted, the leftovers of nuclear power are disposed of in various ways: some is dumped into the Irish Sea; some is released into the air; some is buried in trenches; some is stored for "ultimate disposal to sea" in special casks; some is placed in underground tombs, most probably for eventual vitrification and deep burial.

British nuclear matters are monitored by about 20 central government departments, provincial committees or inspectorates and international and European

agencies, but together they are unable to prevent accidents. At Windscale alone during the first 26 years of operation, 177 incidents serious enough for formal investigation have been recorded. A fire in 1957 in a plutonium production reactor burned out of control for more than 24 hours; 11 tons of uranium burned and iodine-131 radioisotopes were released in large quantities into the air. Two million liters of contaminated milk were dumped and crops from 300 square miles destroyed.

Arguments against the plant were mainly on the grounds of public safety, uneconomical use of public money and the danger to civil liberties. In the end, permission to proceed was recommended "without delay."

That decision was a watershed for anti-nuclear activists in Britain. This summer, seven young people blocked a train carrying waste to be dumped at sea; they were arrested, held without bail for a week and fined several thousand pounds.

Local authorities from Cornwall to Scotland are fighting desperately to keep the government from beginning new construction of plants or test drilling for waste burial, and protesters in Wales forced a team of scientists to leave the area.

Management in the nuclear power industry acknowledges that security measures for workers have been tightened as a result of an "increase in the vehemence of the statements made by anti-nuclear extremists."

The government harbors its own critical cadre in the form of the Nuclear Installations Inspectorate (NII). This body, once considered "the most powerful and effective independent nuclear safety watchdog in the world," has been dangerously weakened after a recent reorganization, in the opinion of its senior members. Indeed, the NII now warns that it may be unable to carry out the fracture tests critical to operate the new generation of pressurized water reactors.

Nan Koltnow recently returned from a year in Great Britain.

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## ENERGY

## Coal is key to China's future

By Curtis Seltzer

DATONG, CHINA

**M**ILLIONS OF YEARS AGO, the key to China's current modernization push was buried hundreds of feet underground. That key—300 billion tons of low-sulfur coal—can be turned, the Chinese say, to generate electricity, make steel, run locomotives and heat buildings. But China's economic locksmiths are having trouble getting the key to work.

China runs on coal. About 70 percent of all the non-human energy consumed by China in 1979 came from 635 million metric tons of coal. Coal-fired utilities produced four-fifths of the country's electricity. (The rest was hydroelectric.) And 34 million metric tons of domestic crude steel was made with metallurgical coal.

Yet running on coal, like walking on water, is tricky. Chronic shortages of electricity have been reported and as much as 20 percent of China's productive capacity may be idled at any given moment. Owing to the crudeness of her capital stock, China's coke batteries and utility boilers waste a great deal of energy in converting coal to coke and steam respectively.

The mines are, for the most part, primitive, inefficient and dangerous by Western standards, although they are vastly better than in 1949—and probably better than mines in other Asian countries. Hauling coal from mines to distant markets is costly and difficult. Finally, the environmental penalties of mining and burning coal—unreclaimed mine sites, slag heaps, polluted water and air—are high; China pays them in spades.

Despite these handicaps, Party officials and planners have chosen coal as the energy source to power modernization. The production goal for 1990 is almost 50 percent more than current output. Doubled production—1.3 billion tons—is the “talking” target for 2000, Kong Xun, vice-minister of coal, told me recently.

It will be an expensive commitment. For every new ton of coal mined in the future, \$100 must be invested, Kong said. Six hundred million more tons by 2000 will require \$60 billion—about one-eighth of China's 1979 GNP.

Much of the new coal output will generate electricity, demand for which is projected to increase significantly over the next two decades. Heavy industries, particularly aluminum, copper and steel will use large amounts, but Chinese agriculture will also need more electric power for new irrigation and drainage pumps. So will light industry. Residential consumption will grow, too, despite the relatively high price for a kilowatt hour.

In 1979, China had about 50,000 megawatts of generating capacity. An additional 25,000 megawatts should be completed by 1985, most of this coal-fired.

The expansion of China's coal industry, which has grown 1600 percent since 1949, requires increased reliance on foreign assistance. Advanced mining machinery has already been purchased from Britain, the U.S. and West Germany. Joint coal mines have been started with the Japanese, who, along with the South Koreans, are likely customers for Chinese steam and metallurgical coals.

Joint-venture negotiations concerning open-pit mines and coal preparation plants have been underway for more than a year with American companies—Occidental Petroleum (Island Creek Coal), Continental Oil (Consolidation Coal), U.S. Steel, Peabody Coal, Utah International, Bechtel, Kaiser Engineering and Fluor. In addition to simple technical assistance, the Chinese have discussed arrangements whereby the American partner would contribute half the capital investment and receive a half share in any profits in either cash or coal.

But these projects have now been sus-

pending, according to reports from the just-completed National People's Congress.

Part of China's problem is cash. New technology consumes a lot of energy and foreign exchange, both of which are in short supply. For every dollar spent on imported equipment, another \$2.75 is needed for support services such as housing, fuel, electricity, transportation and communication, a Chinese bank official wrote recently in the *Peking Review*.

**Labor relations.**

“Labor relations” is also a knotty issue in the joint ventures. Last fall, a visiting delegation of top American coal industry officials demanded that they be given the exclusive right to hire, fire and discipline the mine workforce. The Chinese agreed initially.

Second thoughts seem now to have crept in about introducing American labor-management techniques into Chinese mines, where firings rarely occur and mine managers are also union members.

The Chinese still seem to want to recast their coal industry via foreign know-how and joint ventures, despite the recent suspension of negotiations. Still, the not-so-strange bedfellows of cold cash and basic socialist principles may not be candidates for a quick fix.

In the past, China has pushed up her coal output by opening thousands of primitive mines that employed millions of miners. As a result, China's coal-mining capacity is jerry-built and new production goals cannot be met with the old muscle-for-machinery formula.

The industry now stands on three uneven legs. The state's coal ministry operates 600 mines that accounted for about 350 million tons last year. The rest is extracted at 2,000 province-run operations and 17,000 commune pits.

The ministry's coal is under the control of party officials and planners in Beijing and is used principally by other state-run industries.

The provincial and commune mines seem to be under local control. The ministry apparently collects no data on production, safety and employment from these pits.

Virtually all of China's coal is mined underground at an average depth of 450 meters (very deep by U.S. standards). Almost all of this coal is mined with “longwall” techniques. The coal is cut from a long—say 150-foot—face by machine or hand and, as the face advances, the roof collapses in a controlled fashion in the space most recently excavated. When the cutting and roof-support systems are fully mechanized, longwalls are considered to be the most productive and safest systems available. The Chinese require their mines to recover between 75 and 85 percent of the seam, which makes other mining techniques inappropriate.

Chinese longwalls range from the most modern British systems “plumb back to primitive,” as Cosby Ann Totten, a visiting American miner, remarked.

Only 85 of the 2,200 coal faces under ministry control are fully mechanized. Three-quarters are not even semi-mechanized.

**Underdevelopment.**

In the mine I visited, the Chinese were using the most up-to-date British cutting and roof-support machinery in a 10-foot-high seam. Perfect conditions, it seemed, but this face was producing only a fraction of what it would in the U.K.

The lesson seems to be that you can't modernize piecemeal. The mine's face-to-surface haulage system was not upgraded when the new longwall was installed. Because the chain of production is governed by the slowest-moving part, the Chinese investment in technology is not yet paying off.

Wage rates are very high by Chinese standards. With supplements and production bonuses, a face miner can make more than a factory manager. A six-hour day is being phased in.

But the grim side of labor-intensive mining is also present. Productivity and profitability are low. The Chinese have had a hard time making a *yuan* on their coal production, the ministry lacks investment capital.

The health and safety implications are even worse. Dust conditions are very bad. At one mine the dust concentration

*While China produced 34 million metric tons of steel last year, the inefficiency of its coke batteries contributed to escalating demands for coal.*

was more than 100 times the U.S. standard and 20 times the Chinese. No data were given on the number of miners with work-related respiratory diseases.

The high number of fatalities and injuries exact a terrible human cost, and a troubling economic cost as well. Those who are being hurt are the most work-savvy miners, an irreplaceable resource. Xinhua, the official news agency, reported that more than six million tons of production were “lost” because of worker injuries in the first half of 1979.

Twice now in the last six months, the Chinese press has reported mine disasters caused by managers engaging in “ultra-leftist, high output battles.” These managers, probably Party members, had sacrificed methane control to fulfill production quotas. The miners were offered sky-high bonuses for output, and went along. In one case, the manager had ignored safety protests from the resident inspector, and was imprisoned after the explosion. A new set of safety regulations was adopted in early 1980.

Finally, what of the coal miners' union in China? “Promoting production is the union's first function,” Wang Shun, chair of the National Committee of the Coal Mine Workers' Trade Union of China, said, “and protecting the workers' interests against the bureaucracy of the managers is the second.”

In the past, the union, which includes all miners and managers, has been preoccupied with activities outside the workplace.

But this seems to be changing. The union should “speak up more for its members and pay greater attention to safety,” said Wang.

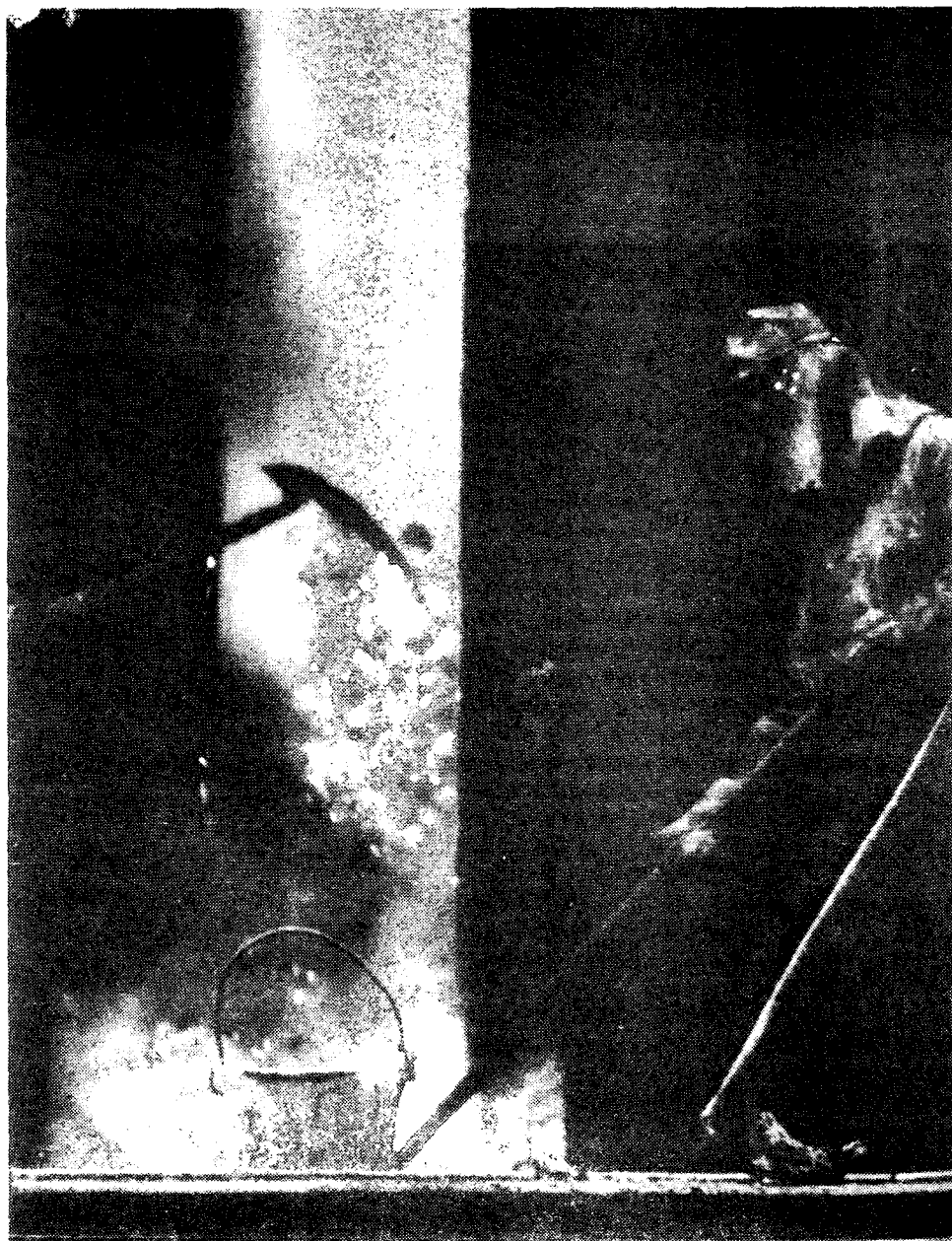
It appears that the ministry-sanctioned campaign to boost safety includes a more aggressive advocacy role for the union, at least at the national level.

The Chinese have an opportunity to build a model coal economy over the next 25 years. They can follow the Japanese post-WWII example of taking the most current Western technology and pushing it to the limits without sacrificing environmental health.

Or they can follow the cheap-and-dirty model of coal development in the American coal industry perfected in the 1950s and '60s.

How China goes on coal will reflect how China goes across the board. ■

Curtis Seltzer, who spent three weeks in China with 14 other Americans learning about the Chinese coal industry, is writing a book on the American coal industry, whose doings he has reported for the last decade.





By Sue Martinez and Alan Ramo  
Photos by Sharon Hall



# IN THE VALLEY OF THE SHADOW OF DEATH

*Grim news for workers is coming out of California's Silicon Valley, the heart of the electronics industry.*



**I**N TWENTY-FIVE YEARS, SIX SQUARE miles of Santa Clara County's once-fertile farmland—"Silicon Valley"—has been transformed into a world center of the burgeoning electronics industry. Employing a quarter of the county workforce, the manufacture of silicon computer chips, or integrated circuits, has made the area an economic oasis in the face of nationwide recession.

But the industry's growth has been accompanied by a 20 percent increase in the county's death rate over the last eight years, according to a just-released report by the local Health Systems Agency. In fact, the trade's hazardous working conditions, inadequate safety standards, and virulent anti-unionism may be the real secret behind its "miracle" success.

The industry had its genesis in 1947 with the invention of the transistor by three Nobel Prize-winning scientists at the Bell Telephone Laboratories in Murray Hill, New Jersey. One of the three, Dr. William Shockley, determined to capitalize commercially on the invention and unable to find sufficient backing on the East Coast, returned to his native California. In 1955 he established the Shockley Transistor Corp. in Palo Alto, the precursor of nearly every semiconductor firm in the area today. (Shockley is now better known for his theories of inherent racial inferiority and his association with a sperm bank whose donors include Nobel Prize winners.)

By 1970, Silicon Valley was home to 25

different electronics firms. Today, it shelters nearly 500 such facilities and employs more than 160,000 people. With another 150,000 South Bay residents working for companies directly dependent on the industry, the area's unemployment rate is well below the national average. Black market activity alone (including design theft and traffic in counterfeit parts and stolen circuits) generates an estimated \$100 million a year.

Undeniably, the field is one of the most hazardous in the state. According to 1978 California Department of Labor statistics, job-related illness in electronics is more than four times that of industry as a whole. The trade uses 10 percent of all the chemicals in the U.S., including some of the most dangerous: corrosive hydrochloric and hydrofluoric acids, toxic solvents such as xylene, dangerous poisons including arsine gas and cyanide, and known and suspected carcinogens like vinyl chloride and trichloroethylene (TCE). These substances are deemed indispensable to the fabrication process because of their unique electrical properties.

Evacuations, chemical spills, acid burns, and fires occur in Silicon Valley on a regular basis. The mounting outbreaks have prompted the Santa Clara Fire Department to ask for increased manpower solely to deal with the effects of chemical accidents.

Area physicians are beginning to voice concerns over rising medical problems. Dr. Joseph La Dou, in an address to a re-

cent Health Systems Agency forum, claimed that Valley electronics workers are suffering illnesses stemming from toxic chemicals more and more frequently. "Whether this is due to better diagnosis or better reporting of illnesses"—or cumulative exposures—"I just don't know," La Dou, who practices with the Peninsula Industrial Medical Clinic, admitted.

Dr. David Discher, head of occupational medicine at the San Jose Medical Clinic, has estimated that hydrofluoric burns requiring surgery occur at each of the Valley's major semiconductor firms on the average of once a month. But "the area of greatest concern to me is the long-term effect," he says. Though data on long-term exposure has yet to be charted, Discher and other health professionals fear that contact under the present standards may lead to chronic disorders years from now.

New chemicals are being developed for use so fast that many have yet to be tested. According to Richard Wade, deputy chief of health for Cal-OSHA, the state agency responsible for investigating the safety of working conditions, "over 200,000 chemicals are used in the workplace of the United States—and we have standards for about 2,000 of them." Members of ECOSH (Electronics Committee on Safety and Health, a health advocacy group) charge that OSHA has come up with its own safety levels for only about 20 chemicals, depending on



manufacturers' claims for the rest. Wade allowed that tightening an existing standard on the basis of new evidence can be a process taking months, or even years.

IN ANY CASE, THERE ARE NO STANDARDS on the effects of combined chemicals, which are the rule in the air of a bustling electronics plant.

Research suggests that the "synergistic" effect of a variety of chemicals may be geometrically greater than the hazards of each individual substance. *Industrial Research and Development* magazine warned readers of their July issue that "a person who works with three hazards has more than three times as much danger as the person with one."

This finding was at the forefront of a February NIOSH (National Institute for Occupational Safety and Health) inquiry into conditions at the Signetics plant that concluded, "The investigators are of the opinion that a significant occupationally related health problem exists at the Signetics Sunnyvale facility." Workers reported suffering mouth blisters, kidney and liver pain, nausea and severe headaches, and this first in-depth investigation of a Silicon Valley firm by the federal agency confirmed the presence of a serious hazard despite the fact that the individual chemicals monitored were within supposedly "safe" limits.

This anomaly had been previously explained in other complaints, when several workers fell ill at the same time, with the diagnosis of mass psychogenic illness or "M.P.I." A phenomenon said to afflict female assembly workers, "mass hysteria" was Cal-OSHA's verdict when 100 women were evacuated from Verbatim, a manufacturer of flexible computer discs, in May of 1979. Four women had rapidly become dizzy and nauseous, in an area where "hardly any chemicals were used, just a few covered bottles of alcohol," according to Verbatim safety manager Bill Kopatich. But Cal-OSHA's report turned up air samples of such potentially dangerous chemical combinations as hexane, hydrogen chloride, carbon monoxide and an unidentifiable hydrocarbon.

The Signetics investigation may be the beginning of the end for the "mass hysteria" analysis. The NIOSH medical team found that the three employees who called for the inquiry—Marta Rojas, Cathi Hee, and Catherine Bauerle—had been exposed to trichlorotrifluoroethane; 1,1,1 trichloroethane, a suspected carcinogen; methyl chloride, toluene and xylene, all of which could have produced their physical symptoms. The examiners noted the finding of a consultant hired by Signetics in 1978 that the ventilation system was sending exhaust fumes to a roof where the air was trapped by a wind screen, then sucked back into the laboratories by the air-conditioning system. The consultant's recommendations for the ventilator were not followed, according to a 1978 Signetics internal memo, because of "economic considerations."

Signetics considers itself vindicated by the NIOSH report, and told its employees, "Thirty-three air samples were taken and all the chemicals were found well below the NIOSH recommended criteria and the Cal-OSHA standards.... In our view, the report concludes Signetics is a safe place to work."

The company still faces a Workers Compensation suit by the three women, who were diagnosed by Dr. Charles Becker, head of the University of California occupational health center in San Francisco, to be "super sensitive" to chemicals resulting from overexposure in the workplace. Cathi Hee, 27, claims, "Since I started working at Signetics in 1977 I've gained 45 pounds, grown almost 2 inches in height and changed a complete shoe size."

According to Dave Bacon, a longtime technician and union activist at National Semiconductor, "Signetics is a pit, but it isn't qualitatively different from any other semiconductor facility." PHASE (Project on Health and Safety in Electronics), an information-referral service funded by OSHA with a confidential telephone hot line, has received over 500 calls this year from electronics workers all over the Valley with varying health

complaints.

Confidentiality is essential, because without unions many assemblers are afraid they will lose their jobs if they publicly raise safety concerns. Though offering nominal protection, OSHA has only 25 inspectors nationally for all retaliation cases and a current backlog of 1,400 dockets.

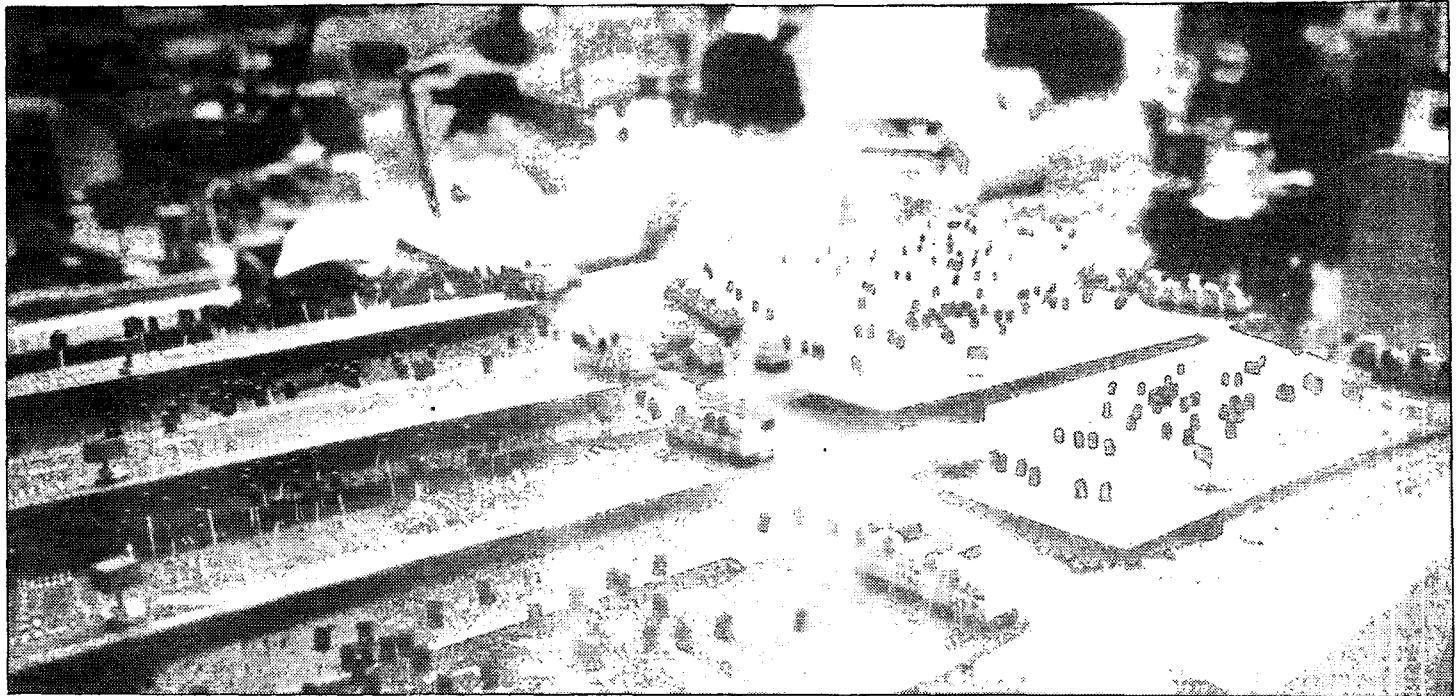
The three women at Signetics were terminated just before NIOSH's medical team came to the plant to begin its on-site inspection. Mandy Hawes, their attorney, contends that this incident is an example of the kind of intimidation that has protected the electronics industry from further employee complaints. "The industry likes to pick off so-called troublemakers individually and fire them," according to Hawes. "But you cannot pick off a union. They are everybody."

With risks this high, and considering

love life to work...and I would assume that they like them because they believe they are anti-union."

Many employees are not aware that they are working with known carcinogens and toxic substances with long-range health effects, and some people have even brought these materials into their homes. PHASE's Carla Lupe has received reports of vats of dangerous substances boiling on the kitchen stoves of women who work without the benefits of minimum wages, social security and workers' compensation.

An illegal subterranean network of the underpaid, the unemployed, and the recently-arrived has made home assembly work a million dollar operation. "I think the only way we can expand and compete with the Japanese and other countries is to cut corners," one executive frankly states.



*Electronics execs called the wave of illness "mass hysteria." But it may have been the result of a combination of chemicals the women workers were exposed to.*

the fact that production workers make little more than minimum wage, why then has not a single semi-conductor firm been successfully organized?

Ed Sawicki, chief safety engineer at Intel, agrees with other industry spokesmen who contend that the health and safety issue is really a last-gasp "tactic" by unions to mobilize their organizing efforts. Sawicki points to millions of dollars already spent by industry to improve safety, and future developments like Intel's new computer, "Miran," which will automatically monitor air quality, as evidence that companies have responded to safety concerns.

But other factors seem closer to the truth. The production workers are nearly 80 percent women, many of them single mothers, who for the most part lack previous trade union experience. The majority are Third World, including Chicanas and Mexicanas moving over from the increasingly automated canning and farm labor industries. Many do not understand English, and are isolated from each other by language.

Most of the companies with successful overseas operations have brought in large numbers of Asian workers, including Koreans, Filipinos, and Vietnamese. Local institutions are supporting the influx of Vietnamese refugees into the industry. San Jose City College officials are working with industry representatives to open a center in the Philippines that would train Vietnamese workers for future jobs here. Attendance at the overseas center would "guarantee" immigration into the United States and resettlement in the county.

At the same time, the local Catholic Social Services agency has already helped place some 500 Vietnamese refugees in electronics plants. According to CSS official Michael Hensley, "The employers are extremely happy with the Vietnamese because they believe they do not get drunk or bring their problems with their

**S**TILL ANOTHER FACTOR IMPEDING unionization is the companies' active personnel departments that purport to represent the workers in disputes with their supervisors. Despite low wages, the larger plants offer sophisticated benefit programs (160 hours of sick leave at National). Many make widespread use of "communications groups," where workers meet with their supervisors and vice-presidents to air their gripes.

Some, like Signetics and National, spend thousands of dollars on recreation programs, weekend trips and "fun runs." Others offer incentive bonuses like Advanced Micro Devices' recent "Great American Dream" contest, which awarded a young Filipina woman \$1,000 a month for 20 years for her part in helping the company reach its production goal.

Silicon Valley's electronics firms have an industry-wide association that makes the companies' combined resources available to any plant faced with unionization efforts. When United Electrical lost a 1977 election at Semi-Metals by one vote (68-67), Siltec moved in and bought the smaller company. The UE claims that its leaders were subsequently laid off, as were activists at Raytheon and Teamster supporters at Plessey.

The industry's birth in the same year as the passage of the Taft-Hartley Act was fortuitous. That Act's ban on Communists from leadership positions in unions resulted in the UE's expulsion from the CIO (ostensibly due to the group's endorsement of Henry Wallace over Harry Truman in the 1948 campaign) and the consequent splintering of electrical unions.

Regardless of industry disclaimers, the safety issue is gaining widespread attention. The NIOSH report was a turning point, and groups like ECOSH and PHASE are increasing worker awareness about the substances they handle. ECOSH's two-year-old campaign to ban

TCE from the workplace has garnered endorsements from IBEW, UE, ILWU and the Warehouseman's Union, and prompted Cal-OSHA to issue an emergency regulation that dropped the standard by 75 percent.

Union organizing efforts continue, and a recent IBEW election at Raytheon was relatively close. Eighty percent of the production workers at Plessey Micro Science have signed cards with the Teamsters Union, and the company is facing unfair labor practices charges before the NLRB for delaying the election. The UE has members at several of the largest plants who are trying to form a multi-national, multi-lingual industry-wide rank-and-file committee to counter the industry association.

As information continues to mount about the dangers that the poorly-regulated use of chemicals poses not only

to electronics workers, but to surrounding communities as well, Silicon Valley may soon face the first significant threats to its "miracle" success.

Sue Martinez is a coordinator in San Jose for El Tecolote and a columnist for the San Jose Mercury-News.

Alan Ramo is a Berkeley attorney who works for Pacifica radio station KPFA. Use of these photos (including cover) is not intended to make any allegations about the individual workers pictured.





## EDITORIAL

*Does George Bush sanction terrorism?*

As number two man on the Republican ticket, George Bush boasts of his experience as director of the Central Intelligence Agency.

It was, however, during his year at the CIA that former Chilean diplomat Orlando Letelier and his associate, Ronni Karpen Moffitt, were assassinated by a bomb planted by agents of the Pinochet regime in Chile. And although he and others at the CIA were forewarned of the secret Chilean mission to Washington, D.C., they apparently took no action.

The first warning that the Chilean DINA was planning a covert mission to the U.S. arrived at Bush's office on July 28, 1976. The previous day, the American ambassador to Paraguay, George Landau, had sent a top-secret cable along with photocopies of two Paraguayan passports to CIA deputy director General Vernon Walters. The passports were for two DINA agents—Michael Townley and Armando Fernandez—posing as Paraguayans under the aliases of Juan Williams Rose and Alejandro Romeral Jara. The cable described their intended mission to the U.S., which, Ambassador Landau had been informed by an aide to Paraguayan president Alfredo Stroessner, was to conduct surveillance on Chilean businesses set up under the Allende administration. The aide assured Landau that Gen. Pinochet had personally requested Stroessner to provide passports and obtain U.S. visas for this mission, but Landau's suspicions were aroused. He issued the visas but photocopied the passports and sent a message to Walters "outlining the whole matter," Landau later testified.

Landau's material did not go straight to Walters. One copy was sent to Secretary of State Kissinger's office, the other, according to a "service message" from the CIA, "had been received but delivered to Mr. Bush, the director of the Central Intelligence Agency, because Gen. Walters was no longer with the agency," Landau testified. Not until a week later (enough time for Townley and Fernandez to have traveled to the

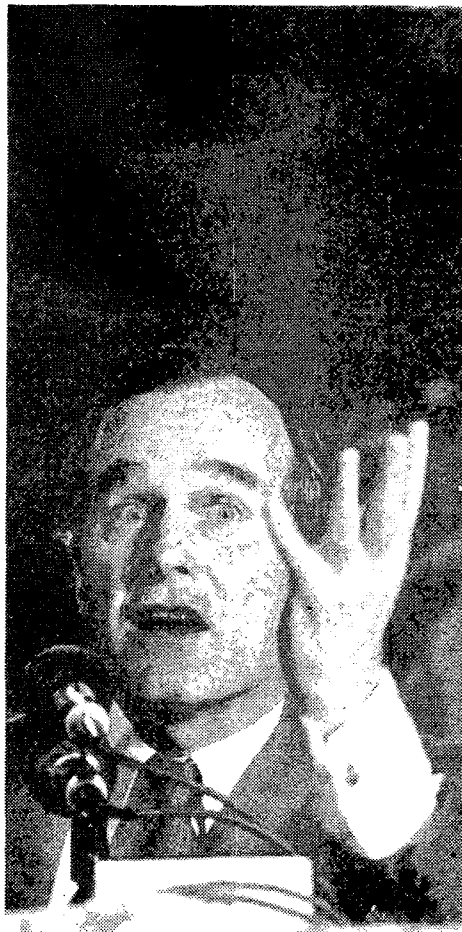
U.S., complete their assignment and return to Chile) did Landau receive a cable stating that the CIA "did not desire any contact with the Chileans." Landau immediately issued a revocation notice for the passports and requested the U.S. State Department to alert all consulates and immigration points that Romeral and Williams were to be denied entry into the U.S.

The danger of a covert mission like this should have provoked a sharp response from Bush's office for three reasons: First, the CIA station in Santiago, Chile, routinely issued visas to DINA agents traveling to the U.S. The need to obtain passports from a third country was therefore suspect. Second, the CIA knew of Operation Condor, a network of Latin American intelligence agencies that spied on and sometimes murdered opponents of any of several military regimes. According to an FBI memorandum written only a week after the Letelier car-bombing, Condor set up "special teams from member countries who are to travel anywhere in the world to non-member countries to carry out sanctions up to assassination...."

And a "top secret-sensitive" U.S. Senate study called the "Staff Report on Activities of Certain Intelligence Agencies in the United States" said the CIA uncovered a Condor plot to assassinate targets in France and Portugal in 1975 using this *modus operandi*. French and Portuguese authorities were alerted and warned Condor nations "to call off the action." The report states: "They did—after denying that it had ever been planned."

Finally, as the CIA knew, DINA was responsible for previous murders of Chilean exiles. Former Chilean commander-in-chief Carlos Prats and his wife had been killed by a bomb in Argentina in 1974. Christian Democrat leader Bernardo Leighton and his wife were victims of a machine-gun attack in Italy in 1975.

This knowledge, coupled with the information from ambassador Landau, should have triggered a message from George Bush to the Chileans telling them



assassination, Bush met with Justice Department officials to discuss CIA aid in the investigation. According to John Dinges and Saul Landau in *Assassination on Embassy Row*, a source who attended the meeting maintains that Bush did not mention the Paraguayan passports or the subsequent conversation he reportedly had with Gen. Walters about the DINA mission.

Instead, the agency attempted to divert the search away from Pinochet's regime. CIA sources began to hint that Letelier had been killed by leftists. The *Washington Post* and the *New York Times* quoted intelligence sources as stating that the "investigation was pursuing the possibility that Mr. Letelier had been assassinated by Chilean left-wing extremists as a means of disrupting U.S. relations with the military junta...."

CIA sources also leaked stories designed to clear the DINA. *Newsweek* reported on Oct. 11, 1976, that "the CIA has concluded that the Chilean secret police were not involved in the death of Orlando Letelier...." On Nov. 1, the *Washington Post* reported that CIA officials believed that "operatives of the present Chilean military junta did not take part in Letelier's killing.... CIA director Bush expressed this view in a conversation late last week with Secretary of State Kissinger, the sources said."

George Bush has never been questioned by the FBI about his lack of response to the DINA mission through Paraguay, or why the CIA failed to inform the Justice Department of the passports and photos of the two DINA agents, or why the CIA sought to divert any attention from the Chilean junta.

Was Bush simply negligent or indirectly complicit in the assassination of Letelier and Moffitt? Did he hide evidence from the FBI, or was he too ignorant to understand the obvious? George Bush owes the voters an explanation before Nov. 4.

Peter Kornbluh of the Institute for Policy Studies provided material for this editorial.

## BEHIND THE LINES

*In These Times Associates plan for a bright future*

*In These Times* can play a major role in developing a public presence for the American left in the 1980s. It can also encourage the unity that—regardless of the outcome of the 1980 elections—must develop for the left to become a viable political force. These were the conclusions reached by the board of *In These Times*' Publishers' Associates at its second meeting in Chicago on Sept. 13. The board met to discuss *In These Times*' electoral perspective, to preview our financial position and to develop projects to involve the larger group of associates in both the editorial and financial future of the newspaper.

The board's discussion of electoral coverage was opened by editor Jim Weinstein, who explained that our overall approach to the elections has been to cover those aspects of mainstream political activity that we believe to be of concern to our constituents. These have included analyses of the candidates' platforms (with emphasis on what impact, if any, their programs would have on existing social problems), plus reports on specific questions like foreign policy, reindustrialization and the strategies of organized labor.

*Steady circulation growth and more stable finances were reported to the board.*

Our long-term electoral perspective is that it should encourage a process of political realignment to establish one of the existing major parties as the party of the American left (*In These Times*, Aug. 27). Our specific plans for electoral coverage in the months ahead include continued coverage of the Citizens Party and the role of third-party movements, examination of the major candidates' stands on foreign policy, the economy and social issues, updates on liberal candidates targeted for defeat by the "New Right" and coverage of local races in which leftists are running for office.

Board members generally agreed with our approach to election coverage, although they offered several suggestions for expanding its scope. They urged the newspaper to publicize platforms that offer socialist programs for the '80s and to suggest alternatives to the major candidates' positions if existing left organizations fail to do so. The board also urged the editors to highlight the campaign strategies of successful left candidates and to follow up on the problems they have faced in public office.

Associate publisher Bob Nicklas reported to the board on our fundraising activities and circulation growth. Total paid circulation—the key to our financial future—is now 20,500, with 18,500 paid subscribers and weekly single-issue sales of 1,500-2,000 copies. This is an increase of 5,000 subscribers since August of 1979. Based on our traditionally strong growth in the last part of the year (largely because of Christmas gift subs), we project a total circulation of 22,000-23,000 by January 1981. We are encouraged by the results of our July direct-mail campaign, which was the most successful in three years.

The financial condition of the newspaper has improved significantly compared both to last year and to the summer months of 1980. Our emergency appeal brought in \$24,000 from more than 1,100 readers. In addition, we received 34 responses and \$33,500 from a mailing to large contributors asking them to join the publishers' fund (individuals who commit \$500 or more in each of the next three years). This response allowed us to weather the summer cash-flow problem. Our projections indicate that we must raise an additional \$40,000 to meet our remaining 1980 expenses.

The general financial outlook for the newspaper has also improved. Our projected operating deficit for 1980 is \$22,000 less than in 1979. This reduction has occurred during a period when we have retired more than \$55,000 in outstanding loans and reduced our commercial payables by \$26,000. We should end 1980 with comparatively few encumbrances, allowing us to apply fundraising income primarily to our operating deficit and not to the retirement of past debts (a problem that has plagued the newspaper since it began publication).



# LETTERS

**IN THESE TIMES** is an independent newspaper committed to democratic pluralism and to helping build a popular movement for socialism in the United States. Our pages are open to a wide range of views on the left, both socialist and non-socialist. Except for editorial statements appearing on the editorial page, opinions expressed in columns and in feature or news stories are those of the author and are not necessarily those of the editors. We welcome comments and opinion pieces from our readers.

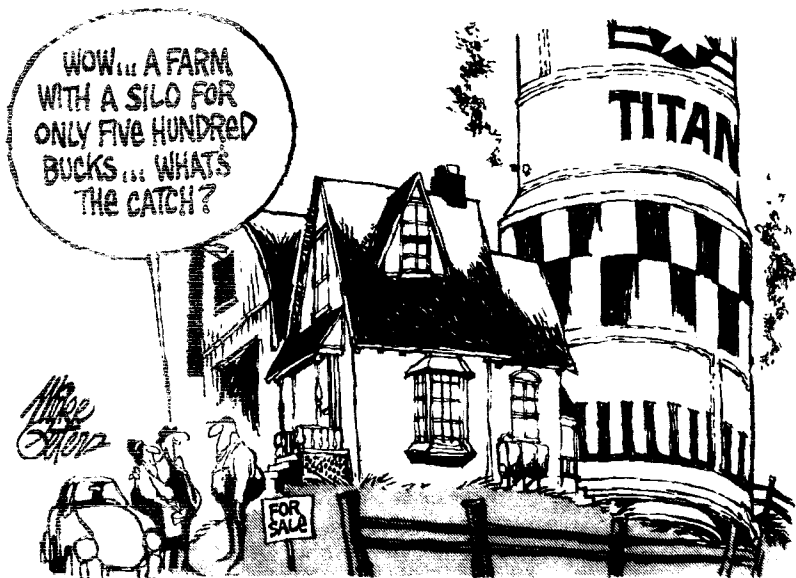
## OPEN LETTER TO FEMINISTS

THIS LETTER IS WRITTEN WITH THE greatest reluctance and after long pondering of the alternatives by each of us. We want to share with you our decision to vote for Jimmy Carter.

For women, patriarchal government has always meant choosing the lesser of two evils; this phrase is not a cliché for us. The reality we face in this election is just that—a two-party system offering two of the worst candidates in American history. We cannot forgive Carter's firing of Bella Abzug, his welfare cuts, his warming up of the war machine through draft registration, or any of the

Jewish, that the American Jewish community has actively supported the boycott of Stevens' products.

Activities to support the boycott have been undertaken by the American Jewish Congress, the Jewish Labor Committee, the Labor Zionist Alliance, the National Council of Jewish Women, the National Jewish Community Relations Advisory Council, Workmen's Circle, Pioneer Women (Labor Zionist Women's Organization), the Central Conference of American Rabbis (Reform), the Joint Social Action Commission of the Union of American Hebrew Congregations and the Central Conference of American Rabbis, the Synagogue Council of America (coordinating Conservative, Orthodox and Re-



other horrors of his first term. But when we think of Ronald Reagan, we fear a U.S. gone berserk. His election would give Right to Life and other sexist, racist, repressive factions a green light.

At the beginning of this campaign, each of us had debated in her own mind whether to support a third-party candidate or not to vote in the presidential race at all. Now we are convinced that either of these decisions would constitute a vote for Reagan.

The phrase "to live to fight another day" comes to mind. The feminist and liberal elements that passed the Democratic platform, with its unequivocal pro-ERA stand, are alive and well in that party. The notion that the country as a whole has "gone conservative" may well be a Big Lie promulgated by media dependent on big business advertising. But we do know the Right has the power of money, if not of votes. To throw the right our votes, too, by supporting—for whatever reason—any other candidate than Carter would be to place additional obstacles in the way of our continuing struggles. As feminists we have many ways to register protest outside the election booth.

—Anita Hoffman, Los Angeles

—Leah Fritz, New York

—Karen Lindsey, Somerville, Mass.

## J.P. STEVENS

STEVE ASKIN'S ARTICLE ON J.P. STEVENS (*ITT*, Sept. 3) was first-rate, particularly his discussion of support given the boycott by the Catholic Bishops in Georgia, Virginia and the Carolinas, as well as the United Methodist Church, as many of the workers in the textile mills are undoubtedly affiliated with these churches.

It seems important also to note, perhaps because some of the big textile employers (Cone, Loewenstein, etc.) are

form Jewish movements).

There has also been activity in support of the Stevens boycott by mainline Jewish organizations in many leading cities. Left Jewish organizations such as the Emma Lazarus Federation of Jewish Women's Clubs, the Conference of Jewish Secular Organizations and the Jewish Cultural Clubs and Societies have also been active in support of the boycott.

A group to coordinate and promote this boycott, among Jews, is headed by Paul Minkoff, Jewish Community Coordinator, J.P. Stevens Boycott Staff, 770 Broadway, New York, NY 10003.

—Morris U. Schappes  
Editor, *Jewish Currents*  
New York

## CURB YOUR BIAS

SURELY ONE FUNCTION OF AN EDITOR is to curb the personal biases of an otherwise excellent reporter. Why do you let Diana Johnstone's dislike for Michel Rocard drag you into taking sides in the factional struggles within the French Socialist Party? Why do you head her article of Sept. 10 with a cartooned smear treating him as a political operator and allow the entire article to take that as its theme—even to the point of stating that France's only democratic socialist union federation, the CFDT, put on a conference for the specific purpose of persuading members of the left socialist PSU to follow Rocard into the Socialist Party and thus preserve his personal following and importance? This is pretty insulting to those PSU members, and to the CFDT.

Perhaps the clue to Johnstone's bias is found in her belief that the French Communist Party is distinguished less by centralism than by its mass base, as if democratic centralism were not the key to its persistent Stalinism and as if the vigorous internal democracy of the

Socialist Party was of small importance.

Rocard's vision of a decentralized, democratic socialism deserves respect from *In These Times*, not snideness and smears.

—Stephen E. Barton  
Berkeley, Calif.

**Editor's note:** As the statement at the top of this page says, the opinions of the authors of articles are those of the writer. Diana Johnstone generally reflects the point of view of *In These Times*. She is in France and knows much more about French politics than we do. We have no desire to curb her, even if we do not agree with everything she writes.

## JEW AND THE LEFT

I AM WRITING, AS A PROGRESSIVE JEW, to express my concern at the tendency of *In These Times* to express anti-Israel sentiments and to embrace the current Arab-Palestinian position without reservation. This tendency is too prevalent on the left today, and constitutes an exception to your otherwise insightful reporting. The latest example was your coverage of the "Palestine Human Rights Conference" (*ITT*, Sept. 17).

Zionism is the national liberation movement of the Jewish people; it has many forms, including progressive and socialist, manifested in the strong labor movement of Israel, the collective settlements (*kibbutzim*) and the tradition of labor and social-welfare political institutions, to which the present regime is a marked, and hopefully temporary, exception. The current occupation problems result not from deliberate expansionism, but from the distortions caused by historic Arab opposition to the partition of Palestine, which would do justice to the rights of its two peoples. Israel should not be judged negatively because of its support, for the wrong reasons, by militarists who see Israel as a base for anti-communism.

I should like to see more coverage in your paper of such matters as the May Day Rally of the Israeli labor movement, complete with red flags, which drew as many as 200,000 people this year; and the similar rallies of the Peace Now movement, which is supported by prominent progressive Jews in America

and Israel. Conversely, your paper should duly note the terror strikes of the PLO against innocent Jewish persons in Israel, and the oppression of Jews in Arab lands.

Your recent article implied that leftists have paid insufficient attention to the Arab-Palestinian cause. But it is the Jewish people who are too often omitted from the left's list of liberation concerns.

—Stephen E. Appell  
Brooklyn, N.Y.

## BLINDERS ON?

WHY MUST YOU BE SO RELUCTANT to criticize unions and union practices?

A typical example of this is Connie Paige's discussion of some of Barney Frank's campaign literature, which criticized the union representing workers for the Massachusetts Bay Transit Authority (*ITT*, Sept. 24). Frank's literature cited "Work rules that require three people to change a single fuse (two to carry the ladder, one to supervise)."

Paige described this criticism as a "veiled Polish joke," but such absurd work rules have existed for many years, are widespread and are one of the main reasons many working people in this country are opposed to unions.

In order for the union movement significantly to increase its appeal to American workers, many current union practices will have to be changed. The best thing a pro-labor publication like *In These Times* could do for unions would be to become less reluctant to criticize these objectionable practices. Conservatives look at such practices and say, "Let's get rid of unions." *In These Times* should say, "Let's encourage unions to change in ways that will increase their appeal among workers who are now dissatisfied with them."

—Ralph Suter  
Evanston, Ill.

## CORRECTION

The photograph of Fidel Castro holding a T-shirt in *In These Times* Oct. 1, should have been credited to Karen Ranucci.

## THE SLOW DEATH OF FRESNO STATE

A California Campus under Reagan and Brown

by Kenneth A. Seib  
Professor of English  
California State University, Fresno

*The book is an astonishing account that gives a new angle on the current decline of higher education in California.*

Chris Pasles  
*Los Angeles Times*

Here is a book for those concerned about the crisis in higher education that exists today. California politicians such as Ronald Reagan, S. I. Hayakawa, and now Jerry Brown have used higher education as a stepping-stone to further ambition. This is a detailed account of the real reasons behind the upheavals on campuses since the mid-1960s.

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# PERSPECTIVES

## The Iraqi-Iranian war will test Khomeini's rule

By Leonard Helfgott

**THERE ARE TWO POSSIBLE EXPLANATIONS FOR THE IRAQI** invasion of western Iran. The first is that the Iraqis took advantage of internal weaknesses and instability in Iran for the limited objective of extending their power at the mouth of the Persian Gulf. The second is that the invasion is part of a broader plan aimed at destroying the Iranian Islamic Republic. If the Iraqi goals are really limited, we can expect to see a rapid end to hostilities and some minor territorial adjustments, which will include the return of full sovereignty over

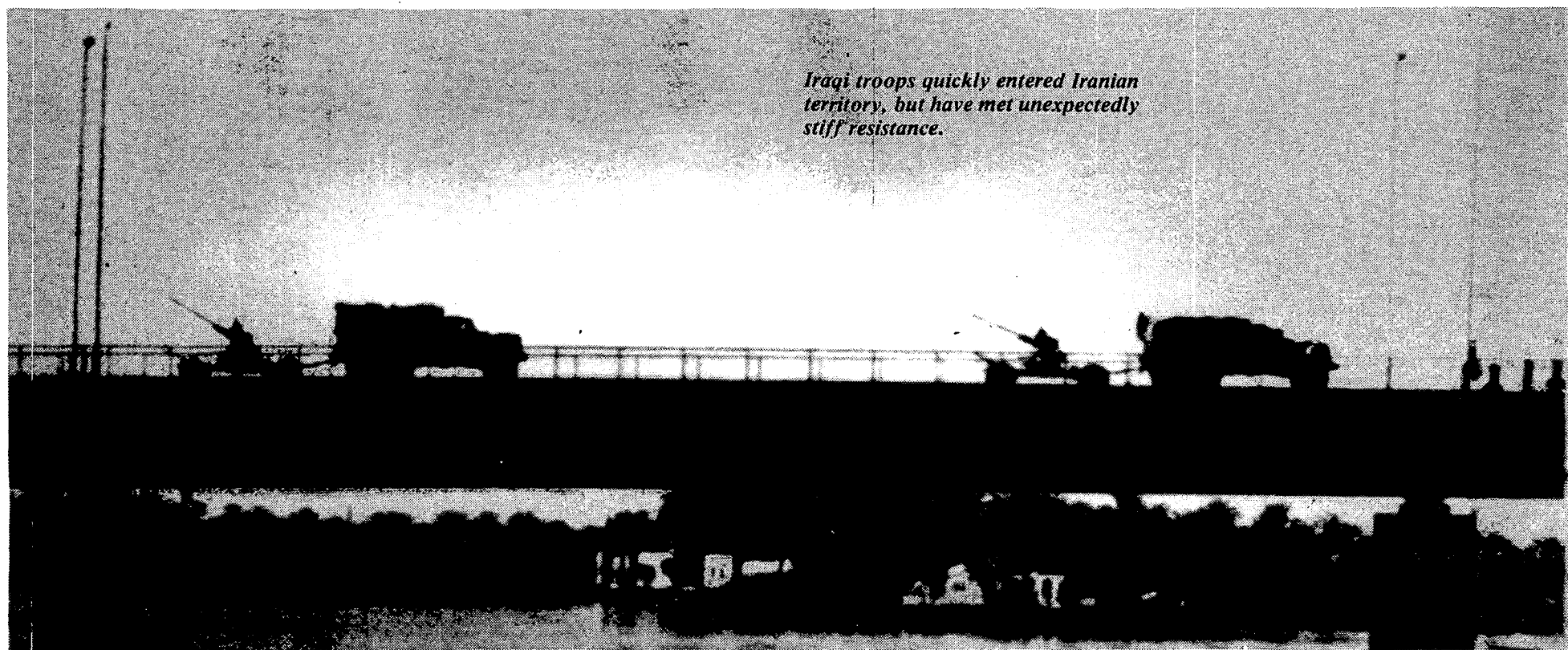
the nucleus of military resistance in a war fought with the latest American, Russian and French equipment.

The strength of the organized military services is difficult to assess. We know that many deserted during the revolution. In addition, many of the high echelon officers either escaped before the unseating of the Shah or were executed by the Revolutionary Council in 1979 or immediately following the recent plot against the government. However, the prerevolutionary military forces numbered more than 250,000 and many remain active. If the army can be mobilized during the crisis, the balance of power within Iran may very well shift, with the traditional military assuming a more important role than it has played since the Shah's fall. It is important to remember that during last year's presidential election the head of the navy, Admiral Medani, was runner-up to Bani-Sadr, reflecting a reservoir of support from the propertied classes for a return to order. If the power and prestige of the army increases dramatically during the present crisis the Islamic revolution may very well return to military dictatorship.

We cannot discount the possibility that the purpose of the invasion was to unseat the present government of Iran. For

royalist General Oveissi and bankrolled by the Shah's twin sister Ashraf. The CIA has admitted during the past year that it has aided in the training of the anti-Khomeini force and that it has set up radio stations in Iraq that broadcast anti-government propaganda into Iran. Months ago Jack Anderson suggested an American plot to use Iraqi soldiers to seize the Iranian oilfields and only recently he revealed the existence of a Carter administration plan to invade Iran in early October. It is no secret that Iraq has been moving closer to the U.S. during the past year.

If all this turns out to be true, the Iraqi invasion is not merely another stage in a series of border, religious and ethnic conflicts that stretch back hundreds of years, but a response that seeks to unseat the present government and replace it with a military dictatorship not unlike that in Chile. A military government would be designed to insure Iran's place within the American political and economic orbit and to stop the drift toward political disintegration and increased Soviet influence in the Middle East. With or without the Shah or his family, the U.S. aims at reestablishing Iran in its pre-1978 position in the world. In the opinion of this writer, such a project



*Iraqi troops quickly entered Iranian territory, but have met unexpectedly stiff resistance.*

the Shatt al-Arab to Iraq and the Iranian loss of the three islands at the Straits of Hormuz seized by the Shah's forces in 1971. If, however, Iraq presses its advantage for the next several weeks and achieves a major military victory, massive changes may occur in the political and territorial structure of Iran.

The truce conditions demanded by Iraq seem designed to stiffen Iranian resistance and prolong the war. Added to the territorial demands at the head of the Gulf are demands for autonomy for Iran's Kurdish and Arab national minorities. It is easy to discount Iraqi in-

cannot countenance long-range Iraqi control over the oil fields. But, Iran's oil fields held hostage could be the major factor in the unseating of the present Iranian government.

The war hit Iran at the worst possible time. There is constant political infighting between the moderate Islamic forces around President Bani-Sadr and the more fundamentalist, conservative *mulahs*. Most of the minorities—Kurds, Arabs, Turkomen and Baluchi—are in a state of disaffection or outright rebellion. Promises of economic transformation have dissolved into the intoxicating atmosphere of religious rhetoric. Upwards of 30 percent of the urban workforce remains unemployed while the agricultural areas are in a state of decay and confusion. Until now, Islamic, national and anti-imperialist slogans have combined with the hostage-taking and the formidable presence of Khomeini to perpetuate a revolutionary fervor and a ubiquitous air of expectation. All this has occurred in the context of a revolutionary government that has done little or nothing to transform the social and economic fabric of a society wrought with inequities.

A prolonged war will force the Iranians to mobilize much broader segments of society to resist the invasion than now support the government. Iranian radio is already appealing to the left and the minorities to put aside differences and to join in the *jihad*. The military is divided and confused, as is the rest of society. At present, military power is shared by the revolutionary guard (*pasdaran*) and the remnants of the Shah's forces. The *pasdaran* are recently armed, poorly trained and inexperienced. They are based in the urban insurrection of the past two years and although fiercely loyal to the religious government, cannot form

months, thousands of Iranian soldiers and exiles loyal to the Pahlavis or to Shapur Bakhtiar have been training in western Iraq. Earlier reports put their number at 7,000 but the West German magazine *Stern* claimed on Sept. 24 that there are 45,000 in Iraq, 25,000 in Oman and Bahrain and 3,000 in Egypt. *Stern* claims the Iranian exile army is commanded by the

would initiate a long and brutal civil conflict that could bring East and West together in a major confrontation in the Middle East.

**Leonard Helfgott, a Persian historian, is a research fellow at the Harvard University Center for Middle Eastern Studies. He is now working on the national minority question in Iran.**

Occurring at the worst possible time for the regime, the war may open a path for the military.

tentions towards Kurdish autonomy because of its potential impact on Iraq, where Kurds form over 25 percent of the population, and on Turkey, which has recently experienced an upsurge of nationalist activity among its eight to nine million Kurds. However, the demand for Arab autonomy follows two years of Iraqi support for the Arab rebels in southwestern Iran. Their autonomy could result in the detachment of the oil-producing areas from Iran and their reintegration into the world's oil flow. Clearly, no Iranian government can allow this to happen, and the U.S.

U.S. POSTAL SERVICE

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(signed) Robert Nicklas  
Acting General Manager



# IN DEPTH

## The Polish strikes will not set off Hungary

By Jim Cohen

SINCE THE SIGNING OF THE HISTORIC ACCORDS BETWEEN the strikers of Gdansk and the Polish government, observers throughout the world have watched both the rapidly evolving political situation inside Poland and the international arena, where the strikes' broader consequences are becoming clear. While the new independent labor unions struggle to get off the ground, the Polish treasury is absorbing huge loans from Germany, the U.S. and the Soviet Union in an effort to set its leaky economy back afloat. The Soviet leadership has apparently resigned itself to a novel situation in Poland, but its stern public warnings have made it clear that independent activity must stop short of multi-party politics—no news to anyone in Poland—and that similar movements in other Eastern European countries are strongly discouraged.

Nonetheless, the victories won by the workers in Poland may spark similar movements in the Eastern zone. *New York Times* writer Flora Lewis recently quoted Bruno Kreisky, social-democratic chancellor of Austria, as saying that if liberalization is achieved in Poland by a broad workers' movement, "I don't see how it could be stopped in Hungary, Czechoslovakia, East Germany. It would spread like wildfire."

In fact, the situation is much more complicated. We may be used to thinking of the countries of Eastern Europe as a monolithic bloc, and in certain ways this is true, but every country is different, particularly with regard to the political environment for a democratic opposition.

Hungary, for one, has for several years now enjoyed the reputation of being the most liberal of the Warsaw Pact countries. Yet it can hardly be said that Hungary is bursting at the seams for democratic change, despite an intellectual opposition—one of the most articulate in Eastern Europe—that has promoted much discussion on the theme of democracy. In the relatively relaxed Hungarian atmosphere, discussion of social problems is not strictly taboo, nor is it limited to a "hard core" of dissenters who put their careers in jeopardy in order to speak their minds.

Although a petition in support of the victims of oppression in Czechoslovakia—the most daring initiative of its kind in recent years—has resulted in the firing of several academics and other professionals, a "flying university" similar to that in Poland has operated for two years without any sign of a government crackdown. Access to foreign books and newspapers is relatively free; sociologists are at liberty to study and write about a whole range of sensitive problems (social inequality, malfunctioning of the economy, urban decay, etc.) as long as they steer clear of explicit reference to politics, which remains the monopoly of the Hungarian Socialist Workers Party (HSWP), headed since 1956 by Janos Kadar.

But Hungary's intellectual opposition has suffered from isolation in recent years. While Polish intellectuals coexist and associate with a broad public movement for social change based in the working class and the Catholic church, the Hungarians have been confined to analyzing and describing a fairly stable socio-political situation. (Several of these attempts have been published in the U.S. by *Telos*, a quarterly journal.)

The long period of economic prosperity has been one of the most important factors in this stability. The frantic pace of industrial development imposed by

the Stalinist system in the late '40s and early '50s—which resulted in the popular explosion of 1956—was considerably relaxed. The Kadar regime ruled with a heavy hand for several months following the '56 insurrection, but economic experts met with some success in developing agriculture and in satisfying popular consumer demands—a chronic problem in Eastern Europe, where "socialism" has usually been synonymous with rapid industrialization—with the consumer sector taking a distant second to the construction of steel mills and other basic industries.

Moderate but steady growth stretching from 1956 to the early '70s allowed the Kadar regime to channel popular energies away from the political sphere and toward more individual concerns. Televisions, record players, processed foods and clothes have been available in quantities that may not match the levels of the U.S., Germany or France, but that have undoubtedly brought Hungary to a respectable standard of living—while avoiding many of the shortages and bottlenecks that plague countries like Po-

land and Rumania.

Although there has been a general rise in the material and cultural level of Hungary in the past 30 years, many forms of inequality persist and show no signs of abating. These problems are a secret to no one. One of the least successful areas of economic development in Hungary has been housing. The sprawling capital of Budapest, where nearly a quarter of Hungary's 10 million people live, has a chronic shortage. Several years ago, Gyorgy Konrad and Ivan Szelenyi, free-spoken sociologists, pointed out that modern apartments constructed in the "new residential zones" outside major cities usually find their way into the hands of professionals and white-collar workers, while ordinary working people have trouble obtaining state-sponsored housing.

The Kadar regime has not solved this problem, but a certain pragmatism and flexibility have prevented it from erupting into a crisis. The unwritten policy in recent years has been to allow individuals, through a combination of legal and less legal means, to build private homes. An entire "second" or "parallel" economy has emerged in which building workers, electricians and plumbers, using materials obtained by hook or by crook from factories, moonlight evenings and weekends putting up house after house.

Mihaly Vajda, a philosopher of international repute and a former student of Hungarian Marxist Georg Lukacs, told me that the "house-building" problem is in many ways symptomatic of modern Hungary. What interests him is the willingness of thousands of workers to sacrifice all their energy and leisure time to private acquisitive endeavors. As he explains it, this behavior is deeply rooted in Hungarian social history: a great many workers have only recently left behind a rural environment and peasant traditions—long hours of hard work toward acquisitive ends, to the total exclusion of cultural or political interests, is a way of life not easily abandoned.

Of course, the tolerance of moonlighting and the availability of consumer goods do not explain why the movement for social change in Hungary is so amorphous compared to that in Poland. The difference may have less to do with the absence of political traditions in Hungary's working class—the 1956 revolu-

tion was, after all, in many respects a model of worker self-organization—than with the aftermath of that event. As Gyorgy Bence explains it, the suppression of dissent after 1956 and the slow, gradual relaxing of the ideological atmosphere have been the key to Kadar's success.

But the formula is effective, he says, only so long as there is a semblance of prosperity. And recent developments in the Hungarian economy indicate that the Kadar regime's charmed life may soon reach an end.

As early as 1968, Hungarian economic planners, feeling the pinch of world market pressures, undertook partial reforms that brought some flexibility into the state's central planning and encouraged limited forms of competition among state industries and increased productivity.

The world crisis of capitalism in 1974-75, accompanied by the rapid rise in energy prices, was a jolt to the Hungarian economy, which has few local energy or raw materials sources, and which depends more heavily than most other East European countries on trade with the West. The balance of payments deficit has risen dramatically since 1977, while foreign debt now stands at \$5 billion.

Sooner or later, all this was bound to take its toll on protected consumer prices. In the past year alone, the cost of living in Hungary has risen by about 20 percent. The official trade unions have obtained some compensation for the workers—perhaps half of the price rise—but have shown no signs of fighting to obtain more.

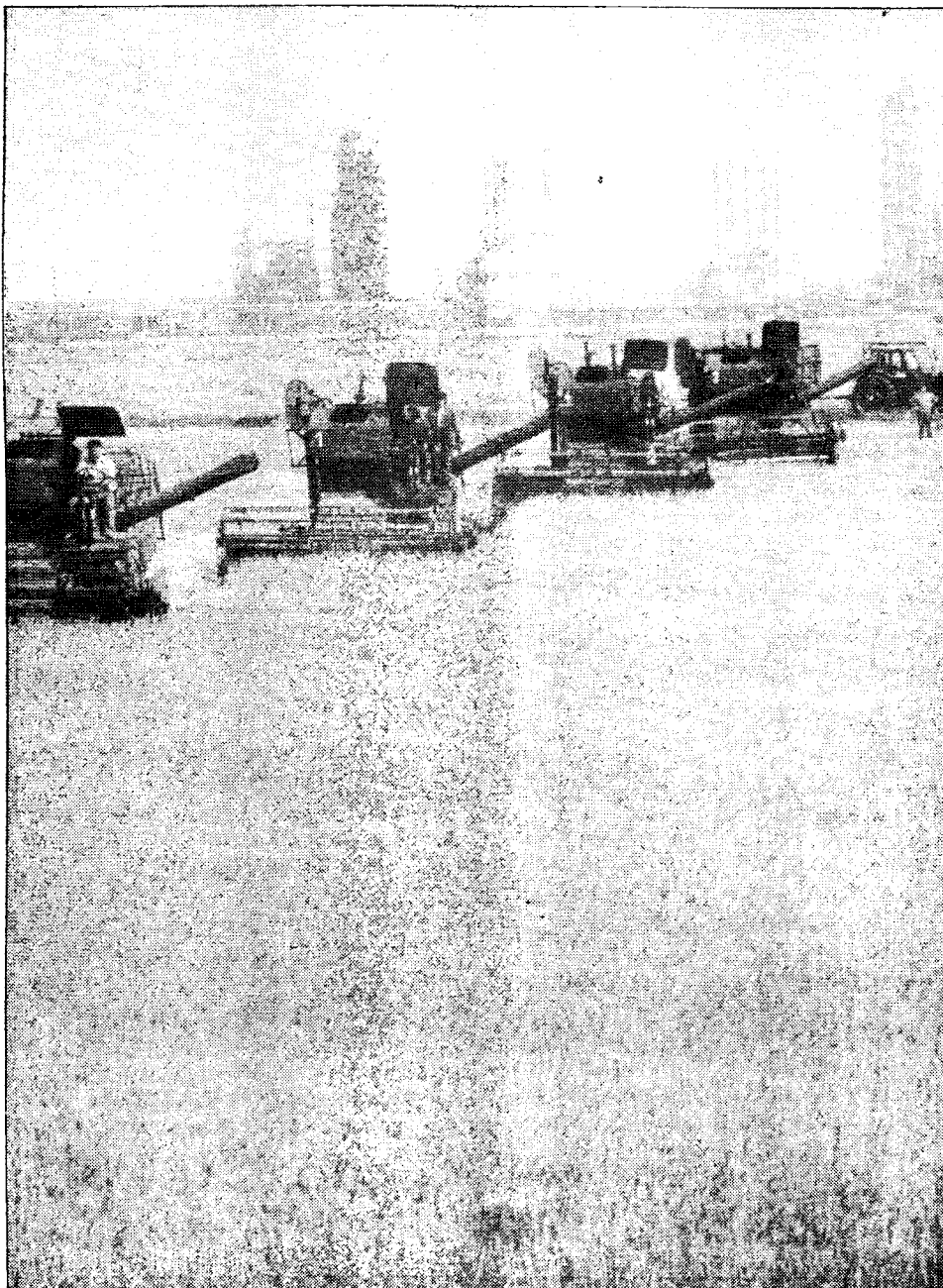
Up to now, the initiative has been entirely with the government, which has made no bones about the policy it wants to adopt. The 12th Congress of the Socialist Workers' Party in Budapest last March adopted the position of the "modernist," technocratic wing of the party.

"The goal is simple," wrote Bernard Guetta of *Le Monde* at the time of the Congress: "It is to prepare Hungarian industry, between now and 1985, for the conditions of the 'world'—that is to say, the capitalist—market. In other words, to respond to a shock with shock treatment." The first important measure, which was already in effect before the March congress, was the drastic raising of fuel and chemical prices (coal up 64 percent, electricity up 22 percent, fuel oil up 75 percent, chemical products up 30 percent). This has forced factories to economize on everything: energy, machines, and, of course, labor power. Work speedups and tighter job discipline are on the horizon. New laws have been passed to facilitate the mobility of labor—layoffs. (The government has made public assurances that layoff victims will receive full compensation and assistance in finding other work.) Sectors operating at a heavy deficit—the Hungarian textile industry, for example—may simply be liquidated.

The government doesn't expect workers to welcome the new situation, but neither do they expect serious resistance. Peter Kende, a Hungarian-born academic living in Paris, told me that "if any turbulence were to be expected, it would have occurred already."

Indeed, there has been little strike activity in the past 10 years in Hungary. Miklos Haraszti, author of a book—banned in Hungary—describing his experience as a piece worker, says that the working class has not yet been confronted with a "desperate situation," but that the situation is now "fluid." (Haraszti, who has lived outside Hungary since 1977, has obtained a visa to return home; he was on his way to Budapest when I spoke to him in Paris.)

It is highly unlikely that the recent Polish events will have a "spark" effect on Hungary, however. They may even have the opposite effect. As Peter Kende explains, the reaction of the average Hungarian is most likely to be fear that their routine existence will be upset by uncontrollable forces, the main one of course being the Soviet Union.



Like most of Eastern Europe, Hungary has been undergoing rapid change from an agricultural to a predominantly industrial society since 1945.

Jim Cohen is a free-lance writer living in the Paris area. He spent three weeks in Hungary this summer.



# LABOR HISTORY

## The Farmer-Labor Party's legacy to the socialist left

THIS ARTICLE IS THE SIXTH IN A SERIES on the history of labor in American politics intended to shed light on current strategies for labor.

To assess the present options confronting the labor movement, it is essential to know its past politics. Given the power of private property and the cultural diversity of America's working people, it was inevitable that movements resisting the evils of capitalism would differ on how—or whether—private property could be made to serve the public good.

The series examines these differences. It explores tensions and alliances between various social movements. And it assesses the impact of liberal and radical organizations on working-class political actions, showing what conditions led to the rise and fall of anarchist, socialist and communist parties, and why independent labor and farm-labor parties arose.

By David Montgomery

**T**HE REPUBLICANS AND Democrats both belong to big business. We need a party of our own." But what is a labor party, and how would it operate within the American political framework?

Between the two world wars several efforts were made to create a national labor party, and the Farmer-Labor Party of Minnesota became the strongest political force in the state. An examination of those efforts, and especially of the Minnesota movement, might help us think more clearly about what a labor party could mean today and tomorrow.

The attempt to create a new political movement after World War I grew out of a strike wave that involved between one million and four million workers every year and also from the rapid growth of American Federation of Labor unions in mass production industries, like textiles, coal, meat packing, and railroads. Not only did the police and the army routinely attack strikers during these conflicts, but the Republican administration also was publicly committed to ending inflation by deregulating corporate industry and reducing production costs through wage cuts and eliminating union work rules. Moreover, wartime experience had made the power of government over everyday life evident to everyone. Consequently workers were asking why, if the world had just been saved for democracy, the "democratic" state could not fight on their side.

The main political agency available to workers before the war, the Socialist Party, had now broken into three parts. One wing, the Communist Party, affiliated with the Communist International, emerged in 1922 from clandestine activity and persecution as a small but influential force in Finnish, Slavic, and Jewish fraternal organizations, and in the unions of garment workers, coal miners, and machinists. The Socialist Party itself remained a power in Milwaukee, Reading and some other municipalities, and enjoyed the friendly cooperation of many union functionaries and intellectuals. But many followers of the pre-war SP had deserted their party in favor of purely electoral movements that emphasized the immediate needs of working people and proclaimed their loyalty to the government during the war.

The most important of these was the Nonpartisan League, which was created by Socialists in North Dakota who realized that the exploitation of the state's

farmers by grain dealers, banks, and railroads had enraged innumerable lifelong Republicans. The remedy envisaged by A.C. Townley and Arthur LeSueur was to enter the Republican primaries with a disciplined organization of farmers and workers. The keys to their approach were local meetings at which everyone who had paid a dollar could help select one of their number for NPL endorsement in the primaries, a platform calling for state-owned banks, grain elevators, and other marketing agencies, to which candidates were pledged, and a disciplined caucus of elected members.

In the 1917 legislature, 72 of the 97 Republicans and 15 of the 16 Democrats were in the NPL caucus. That caucus cut through parliamentary mysteries, allowing farmers to formulate their own bills in a setting where everyone was committed to doing what the majority decided. The 1919 session, where the NPL controlled both houses as well as Governor Lynn Frazier, was the only one in the state's history to finish its business within the constitutionally-mandated 60 days, and it created a state bank, grain elevators, hail insurance, workmen's compensation, income and inheritance taxes, home buyers' assistance, restrictions on injunctions in strikes, and the country's best mine safety law. No more dramatic demonstration of democracy has occurred in American history.

The NPL's success in electing candidates pledged to its program through the primaries of North Dakota's major parties spread its influence quickly to neighboring states and to Canada. By 1920 it had 50,000 members in Minnesota and had chosen more than 30 rural legislators in each of two elections. But Minnesota was different from North Dakota. Minneapolis was the home of the hated grain exchange. St. Paul and Duluth were manufacturing and shipping centers. The Mesabi iron range employed laborers from Finland, Croatia, Italy and the Ukraine. Even the countryside was a mosaic of immigrant nationalities and New England Yankees, and it was spotted with railroad junctions and meat-packing towns.

The Republicans had long dominated the state's politics with the help of bountiful business contributions, the commercial press of the Twin Cities, and personable Scandinavian candidates. Nevertheless, the Democrats were powerful in Irish St. Paul and had almost carried the presidential election of 1916. In the same year Socialist machinist Thomas Van Lear was elected mayor of Minneapolis. In Minnesota labor's role was decisive.

Both the war and the post-war depression (1920-22) brought Minnesota's farmers and workers together. Opposition to America's declaration of war had been so widespread that four of the state's nine Congressmen voted against it. Rural Germans held mass rallies to keep the boys home. Although the NPL pledged its loyalty and called for "conscription of wealth" in order to "win our war," such open enemies of the war as Representative Charles A. Lindbergh evoked roars of approval from NPL meetings whenever he ignored the leaders and denounced the carnage. A wartime strike of streetcar drivers brought the Twin Cities to the verge of a general strike.

Nonpartisan leagues of farmers and workers at first functioned separately, but their combined strength threw the Republicans into confusion. Clearly concessions had to be made to abate the



### THE 4-LEAF CLOVER OF INDUSTRY

The business men and all good citizens in this community are in favor of industrial co-operation. We believe that co-operation is the life-giving stem of prosperity for those who pay wages, those who receive wages and those who spend the wages paid by our American factories, mines, mills, shops, etc.

Industrial peace is needed to win this war for democracy. Agitators are breeders of treason and this community has no room for them.

popular anger, but "steel Republicans" and "grain Republicans" fought each other over who should foot the bill.

The Republican legislature passed a heavy tax on iron mining, which the Republican governor vetoed, only to have the Republican platform come down for it, while the steel companies mobilized a Fair Tax Association against it. In the Republican primary of 1920, 39 percent of the vote went to the NPL candidates. The rural constituencies of the league won elections, but the labor sections, which introduced the ideas of public ownership of industry, could not. They moved toward a new party.

The NPL, whose success had come through the primaries, opposed this idea. So did the Socialist Party, which represented a rival for its votes, and the Communists, who were then combating all "reformist" movements.

But William Mahoney, Robley Cramer and other trade unionists were convinced that the time was ripe. The workers' league prodded farmers into joining them in entering a new ticket in the 1922 elections: the Farmer-Labor Party. Although its platform focused on labor's needs, its top candidates were from the farm movement, while Henrik Shipstead, the senatorial candidate, ran virtually his own campaign. That election established the FLP as the second party of Minnesota, sending Shipstead to the Senate and garnering about 38 percent of the votes, as compared to 45 percent for the Republicans and 10 percent for the Democrats.

Most important, during the next three years the party worked out a structure that distinguished a labor party from Republicans or Democrats. It had a dues-paying membership of individuals affiliated through ward clubs, while unions and cooperatives joined as organizations, with appropriate voting power. The party had its own press and educational bodies. At bi-annual conventions it thrashed out policy, binding on its candidates.

Women were always prominent in the FLP, though there was a noticeable change between the 1920s, when women were always included among the candidates for top state offices, and the 1930s, when they never were. But state committee members like Susie Stageberg, Marian LeSueur, and Selma Seestrom played major roles in making policy. The party could always count on huge voter turnouts. During the 1920s, when voter participation nationwide fell below 50 percent, between 90 percent and 95 percent of the eligible voters came to the

polls in every Minnesota election.

Efforts to form a national party during these years all failed. During the 1920-22 depression, labor unions in basic industries were virtually wiped out, and those unions had been the base of progressive policies in the A.F. of L. In 1922 the railroad brotherhoods, coal miners, machinists, and needle trades unions had formed a Conference for Progressive Political Action to promote public ownership of railroads and mines and to elect friends of labor to Congress, but few of its leaders favored a new party.

By early 1924, when the FLP invited labor and other organizations all over the country to send delegates to St. Paul and make a national third party, Samuel Gompers and other leaders of the A.F. of L. were fiercely attacking all advocates of such ideas within their ranks, and the CPPA was hanging its hopes on a presidential campaign by Robert M. LaFollette.

But though LaFollette supported labor's political demands, he denounced the idea of a labor party. The American way, said he, was to run as an independent individual, not to form a "class party." His repudiation of the St. Paul convention kept most potential delegates away and left Mahoney and the Communists locked in a bitter battle for the leadership of those who remained. The national party died quickly, LaFollette went to the voters as an independent and won far fewer votes in Minnesota than the FLP candidate for governor.

Although the FLP's support stagnated at 20 to 25 percent of the voters during the "Coolidge Prosperity," and was sustained mainly by impoverished farmers and beleaguered trade unionists, the coming of the Great Depression gave new strength and directions to both the state and national movements. The League for Independent Political Action, formed in 1928 by Mahoney, John Dewey, W.E.B. DuBois, J.B.S. Hardman, Paul Douglas and others provided the main organizing force in the campaign for a new labor party. By 1935 LIPA's efforts helped produce demands for a new party from hundreds of city and state labor bodies, the international unions of railroad, textile, and needle trade workers, and half a dozen congressmen, like Vito Marcantonio and Robert M. LaFollette Jr.

These hopes collapsed in 1936 as abruptly as those of 1924, when Labor's Nonpartisan Political League (formed by the emerging Congress of Industrial Organizations) threw all its weight behind the re-election of Franklin D. Roosevelt and the Socialists decided to run their own presidential campaign. These desertions left the remaining LIPA activists afraid that the party they proposed would be controlled by the Communists, who strongly supported the movement. To avoid this outcome, LIPA turned the matter of forming a new party over to the Minnesota Farmer-Labor Party, who were then fighting for their lives and in no position to do so.

### To the cooperative commonwealth.

The FLP rode to power in Minnesota on a wave of popular struggles. The Farm Holiday Association blockaded market deliveries of milk and produce and prevented sheriff sales of foreclosed farms in 1932 and 1933. Striking truck drivers, packing house workers, knit wear and metal fabricating workers, and iron miners battled police and goons to break the open-shop grip of the pro-business Citizens Alliance. A People's Lobby numbering tens of thousands descended on the capitol in 1934 to push unemployment compensation and a farm mortgage moratorium through the Republican-controlled state senate. In this setting, Floyd Olson, the FLP's most popular figure, won the governor's office with 57 percent of the votes in 1930, and was re-elected in 1932 and 1934.

Being in office during the worst years of a depression did not lead to defeat for the FLP, as it so often did for other left parties. True, the violent struggles of 1933-34 were blamed by the press and many voters on the FLP, but they also resulted in stronger labor support and the radicalization of Olson and the party's platform. The convention of 1934 did not





### What Makes More Noise Than a Pig under a Gate?

The Nonpartisan Leader's method of dismissing opposition attacks.

simply echo the New Deal, but called instead for "immediate steps...to abolish capitalism in a peaceful and lawful manner." Idle plants were to be commandeered by the state to make jobs for the unemployed, and the state government was called upon to take possession of all factories, mines, and utilities, except those that were cooperatively owned.

During the next four years business hostility toward the FLP reached a fever pitch. Nevertheless, the rapid growth of the union movement solidified the working-class vote to such an extent that in 1936 Elmer Benson won a record 58 percent of the votes for governor, five of the nine congressmen were FLP, and the party had 50,000 dues-paying members and 100,000 subscribers to its paper.

A critical weakness, however, lay in the division of the labor movement on which the party was based. The A.F. of L. fought the rising C.I.O. both in the factories and inside the councils of the FLP. Special ideological intensity was injected into the conflict by the fact that the Communists were strong in the C.I.O., while the Trotskyists were powerful in the A.F. of L. (through their leadership of the local teamsters).

#### Defeat and fusion.

The FLP's year of decision was 1938. As the Great Depression wallowed in its second downturn, Republican strength increased sharply all over the country. In Minnesota, conservatives logjammed the FLP's legislative program, while the commercial press attacked it relentlessly. Governor Elmer Benson's frustrated rival for the FLP nomination waged a two-year campaign against his leadership, which became increasingly anti-Semitic. Republicans picked up the theme, and by election day the state had been decked out in billboards portraying "Jewish Red conspirators" dominating the FLP and riding roughshod over the various na-

tionalties of hard-working taxpayers. Mailboxes were stuffed with copies of Ray Chase's infamous pamphlet about the FLP, *Are They Communists or Catspaws?* While President Roosevelt ignored Benson's pleas for help, congressman Martin Dies brought his new House Un-American Activities Committee to

Minnesota to investigate its government.

Harold Stassen, running on the Republican ticket with promises to efficiently administer a New Deal-type program for the state, while barring the gates against Reds and Revolution, won 59 percent of the votes, to Benson's 34 percent. Moreover, in a desperate effort to

weather the storm the FLP had beaten a programmatic retreat at its 1938 convention, which virtually eliminated all traces of socialism from the party's public posture.

By 1940 the party's membership had fallen to 4,000. So bitter were the movement's internal divisions that when Hjalmar Peterson won the FLP's nomination for governor in 1942, the C.I.O. endorsed Stassen. Many party leaders were trying to purge alleged Communists from the ranks and effect a merger with the Democrats. National figures associated with LIPA followed the same course, and virtually all devoted their efforts after 1938 to re-electing Roosevelt and mobilizing support for his foreign policy.

The end of the FLP came in 1944, when its left-wing leaders joined the merger movement in the name of unity in the war against fascism and the "spirit of Teheran." Master of ceremonies at the celebration of the merger was the rising young star of the Democrats, Hubert H. Humphrey. Four years later, when the leadership of the Democratic-Farmer-Labor Party supported Henry Wallace for president, Humphrey would lead the purge that brought the party in line for Harry Truman and the Cold War.

The Republicans and Democrats had snuffed out an open, worker and farmer based party, run by its dues-paying members, and with a program committed to public ownership and production for use. Before they did so the party had won many elections, infused the state with a progressive political atmosphere that is still evident, and revealed that it is possible in the U.S. to engage in politics for socialism.

While the FLP provides a useful guide to future action, however, it also leaves us with major questions to consider. What new social groupings, such as blacks, Chicanos, feminists, consumer and energy groups, etc., must be involved in organizing socialist politics today? Should mass parties and Marxist-Leninist vanguard parties relate to each other? Is it wise to trim the socialist sails in the face of attack, as the FLP did in 1938, or might a defeat with flags held high have kept alive a mass socialist base from which to launch the next round of struggle? How do we get a labor party today beyond the realm of resolutions? These questions will have to be thrashed out in practical politics if we are to live up to the legacy of Minnesota's workers and farmers.

David Montgomery is Professor of history at Yale University. He is the author of *Beyond Equality* and a sponsor of *In These Times*.



## Talk is cheap. Too bad newsprint isn't.

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## INPRINT

## DIRTY WORK

## Inside Iran with the CIA

**Countercoup: The Struggle for the Control of Iran**

By Kermit Roosevelt  
McGraw Hill, \$12.95

By Edward Gold

*Countercoup* is Kermit Roosevelt's account of the joint U.S.-British operation that ousted Iran's Prime Minister, Mohammed Mossadeq, and restored the Shah to power in 1953. Roosevelt worked for the CIA: his bosses were Allen Dulles and Secretary of State John Foster Dulles.

Between them, they successfully interposed themselves directly into the Iranian political process, postponing the revolution by projecting American power into the vacuum left by the British.

Mossadeq rose to power in the early '50s as the leader of a broad-based coalition of religious and secular groups, which since 1949 had resisted the Shah's efforts to build a royal, autocratic state.

The Shah appointed him Prime Minister in 1951, reportedly as a "safety valve," after massive rallies and strikes made him fear for his throne. Mossadeq promptly nationalized the Anglo-Iranian Oil Company (now known as BP), demanded civilian control of the army, and forced the Shah out of active politics. The Shah would be allowed to reign, but not rule.

Ironically, Mossadeq's success began to undermine his government by late 1952. Without the Shah and the British to unite them in a common hatred, elements of the coalition found themselves at war with each other in what they falsely believed to be the post-Shah Iran.

The clerical wing of the National Front, led by Ayatollah Kashani, left the front in early 1953, accusing Mossadeq of betraying Islam. Many in the army were alarmed that the government would turn to the Soviet Union, as were many in the business community.

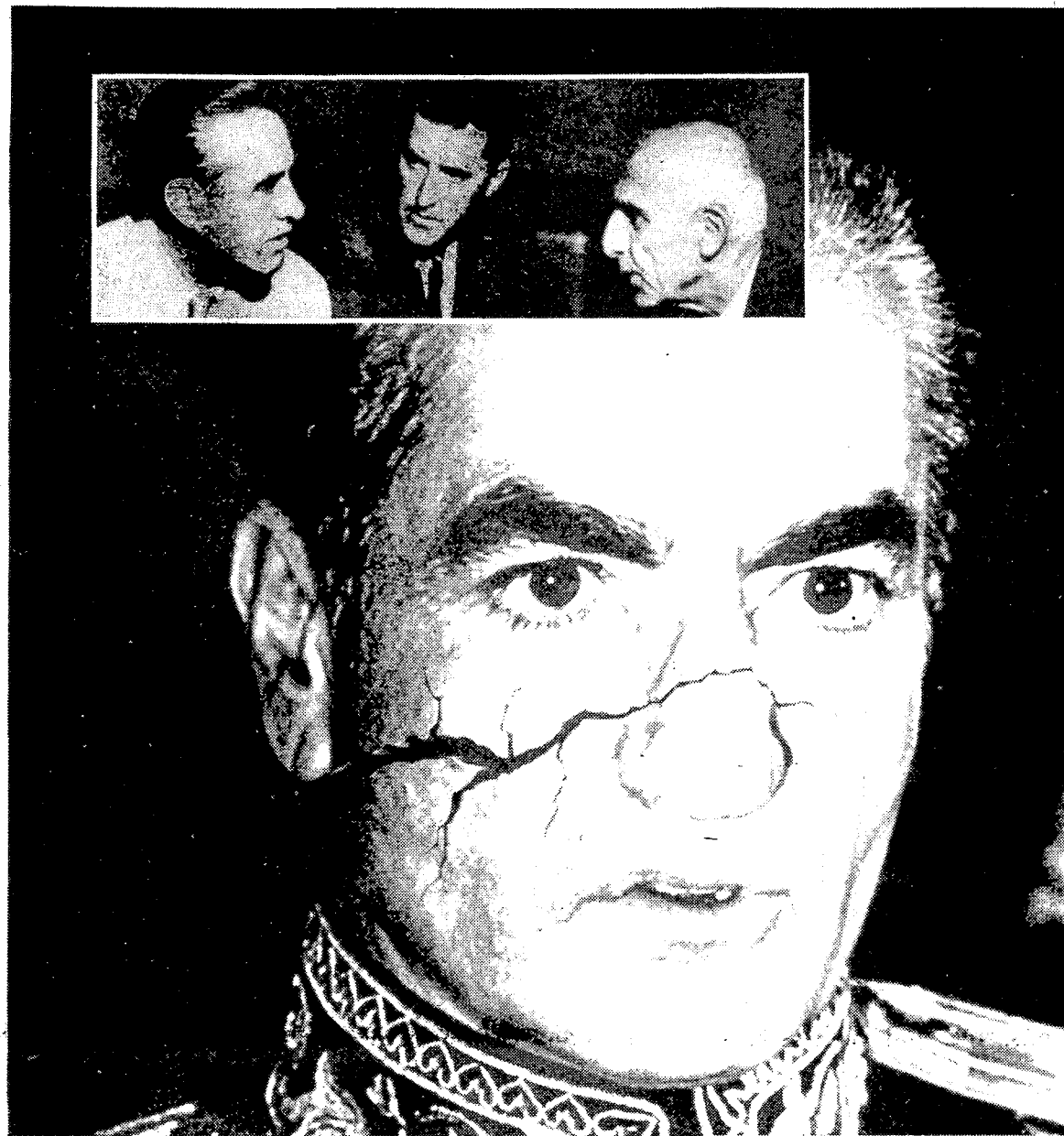
#### Soviet threat?

Suddenly the British, who had been looking for just such an opening for almost a year, moved into action. Since no British intelligence agents or oil company executives were left in Iran, they contacted Roosevelt.

"Their motivation was simply to recover their oil concession," Roosevelt writes. "We were not concerned with that but with the obvious threat of Russian takeover." But he fails to specify what made the threat "obvious."

Roosevelt hatched a plan, code-named AJAX, which John Foster Dulles approved at a fateful meeting in June 1953. Allen Dulles was there, along with Secretary of Defense Charles "Engine Charlie" Wilson and a host of deputy and under-secretaries from the three executive departments involved.

At the meeting, Roosevelt made his case for what he called a "countercoup." "The Soviet threat is indeed genuine, danger-



The CIA helped overthrow Prime Minister Mossadeq (right, insert) and restore the Shah in 1953.

ous and imminent," he said. "At this moment, time seems to favor the Russians and their unwitting ally, Dr. Mossadeq."

At least Roosevelt uses the word "unwitting." Dulles refers to Mossadeq simply as "that madman."

Dulles approved the project, but Roosevelt left the meeting troubled. "On the one hand it was good to have the project approved," he writes. "On the other hand, this was a grave decision to have made. Surely it deserved thorough examination, the closest consideration, somewhere at the very highest level. It had not received such thought at this meeting. In fact, I was morally certain that almost half of those present, if they had felt free or had the courage to speak, would have opposed the undertaking."

Unfortunately, no one felt either that brave or that free. The coup is history, but Roosevelt does offer a detailed blow-by-blow description of its unfolding.

#### Imagination.

During the operation, Roosevelt exercised some extraordinary powers in the name of the U.S. government. In a meeting with the Shah, for instance, he invented a telegram from Eisenhower, "since he had neglected to send one."

He also instructed the U.S. Ambassador to Iran, Loy Henderson, on what to say and what not to say to Prime Minister Mossadeq.

When it was all over, the Shah toasted him and thanked him for

saving his throne. Roosevelt then flew to London to brief Eden and Churchill (the latter wished he could have gone along). Then he went to Washington to brief Eisenhower and the Dulleses.

During this meeting, Roosevelt remembers this scene: "One of my audience seemed almost alarmingly enthusiastic. John Foster Dulles was leaning back in his chair. Despite his posture, he was anything but sleepy. His eyes were gleaming; he seemed to be purring like a giant cat. Clearly he was not only enjoying what he was hearing, but my instincts told me he was planning as well."

Roosevelt warned the assembled that we should never again undertake such a thing without the support of both the army and the people. "But Foster Dulles did not want to hear what I was saying," he reports. "He was still leaning back in his chair with a catlike grin on his face. Within weeks I was offered command of a Guatemalan undertaking already in preparation. A quick check suggested that my requirements were not likely to be met. I declined the offer."

The mention of Guatemala on the last page of the book is ironic. Both Guatemala and Iran lost their civil governments in 1953-54 through the efforts of our clandestine services. Both regimes, based on the army, brutally suppressed political opposition. Both depended on the West.

And in the last years, both faced an outraged, armed populace. We know what happened in Iran, but the pressurecooker is still building in Guatemala.

President Jacobo Arbenz was

Guatemala's Mossadeq. As Alan Riding puts it in a recent article in the *New York Times Sunday Magazine*, many State Department officials now lament, "What we wouldn't give to have an Arbenz now." Or a Mossadeq? Although most of the details

surrounding the operation have leaked out before the publication of *Countercoup*, the British are still particularly sensitive about their role. In fact, they were so nervous about some references in the book that they convinced McGraw-Hill to withdraw the book from circulation in September 1979, when it originally appeared.

Citing "errors" in the manuscript, and supported by Roosevelt himself, British Petroleum and British Intelligence demanded certain changes. The corrected version appeared this summer.

A close look at the text reveals that all references to British personnel who approached Roosevelt and aided later in the operation are identified as members of British Intelligence. In the first version, they were identified as employees of Anglo-Iranian.

Roosevelt says he was in error; BP agrees. In the long view, the difference may not be that important. The British government, after all, owns BP. Few have the illusion that the two represent conflicting interests. And no matter how you identify them, the British do not deny that their operatives acted "to recover their oil concession."

They recovered most, but not all of it. Our interests turned out to be a little broader than Roosevelt's. BP recovered 40 percent of its old monopoly, and American companies (the five "sisters") also received a 40 percent chunk. Royal-Dutch Shell received a 14 percent share, and the French received six percent.

In order to quiet the objections of the smaller "independent" U.S. companies, Exxon, Mobil, Texaco, Gulf, and Socal doled out a small share of their portion to a group of domestic independents. The "sisters" killed two birds with one stone: the independents had long objected to increased importation of foreign oil. Suddenly they were importers, too.

The "countercoup" in 1953 is an excellent place to begin our reassessment of our relationship with Iran and much of the rest of the world as well.

Edward Gold teaches at the University of Maryland.

## UNSOLICITED

U.S. ELECTION MESSAGE BEAMED TO STARSHIP COMMONWEAL, UFO FLEET, INTERGALACTIC SOCIALIST FEDERATION, FALL, 1980

REQUEST URGENT INTERVENTION, US (AND ALL OTHER PLANET EARTH) GOVERNMENTS BE PLACED IN RECEIVERSHIP BY ISF. RIGHT TO ANNIHILATE FLORA AND FAUNA NOT IRREVOCABLE. IF NOT RECEIVERSHIP CAN J. CARTER, W. MONDALE, R. REAGAN AND G. BUSH BE REPLACED WITH PEACE ANDROIDS. NO HUMANOID CHARACTERISTICS TO BE DUPLICATED. OR CAN CITIZENS OF HOUSTON, ORANGE COUNTY CALIFORNIA AND LONG ISLAND NEW YORK BE PROGRAMMED TO VOTE 95% FOR BARRY COMMER. THAT WILL THROW A NECESSARY SCARE INTO SOMEONE. IF NONE OF ABOVE POSSIBLE CAN YOU BEAM DOWN FALL TV REPLACEMENT FOR "ROCKFORD FILES"? AND GET WOODY ALLEN A COMEDY SCRIPT?

For Interplanetary Peace & Freedom,  
Unregistered Foreign Agent, Leah Bepul

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Universetime

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Consolations, OCIC OPRAH OHCUORG,  
Earth Communications Dept.



## ART «» ENTERTAINMENT



## TELEVISION

# Soap opera of slavery stirs public protest

By Clyde Taylor

A watershed in recent media protest may be reached Oct. 7 if NBC goes ahead with its plans to air *Beulah Land* that evening. *Beulah Land* is the \$10 million, six-hour plantation mini-series Columbia made for NBC from a novel blurb as "*Gone With the Wind* with sex." And because a black actor turned down a part and leaked the script, *Beulah Land* has been hotly contested from mid-production right up to air time.

This campaign against the series has been led by the Coalition Against the Airing of *Beulah Land*, spearheaded by blacks in the TV industry but also supported by individual actors and writers, three members of Congress, the Beverly Hills NAACP, the Mississippi Legislative Black Caucus and dozens of organizations around the country, including the Association of Asian/Pacific American Artists and Women Against Violence Against Women.

The issues raised by this throwback to yas'm media have been aired in dozens of newspaper articles and television and radio shows. Thousands of blacks have written and phoned local NBC affiliates demanding that they refuse to pick up the feed. Thousands also have signed petitions against the film, promising to pass over products sponsoring the show and alerting prospective sponsors of that intent. And last May, when representatives of NBC affiliates met in Los Angeles, they were greeted by a full page ad in *The Hollywood Reporter* attacking the forthcoming anti-epic.

By this time, the coalition had won a temporary victory of

sorts. NBC postponed its scheduled May air date, for one of the following reasons: to give protestors a chance to preview the videotape and maybe change their minds; to adjust to production delays; to allow time for the opposition to cool itself out; or, all of the above.

What made so many people so angry? Excerpts from the script widely circulated by the coalition suggested a story heavily laced with multiple murders, rapes and suicides.

## Examples.

The portrayal of race relations under slavery showed blacks who loved their mistresses so much they just couldn't resist raping them, slave women anxious to be bedded by their exploiters, and slaves so fond of slavery that they refused freedom, or when they tasted it, returned happily to the old plantation. "Freedom?" one exclaimed. "Do that mean we gots to leave Beulah Land?"

There was a scene where a black woman simultaneously nurses two infants, one black, one white. Meanwhile, an older mammy-figure cackles: "Y'all see dat, Mars Leon? Dat zackly like I done you two."

There was a watermelon-eating scene.

There was a scene of ambiguous and sensational lesbianism: a slavewoman aims a gun at her mistress-lover's husband to prevent him from raping her.

There was a scene where a slave, after marrying a slave-woman, gives her mother a coin for the privilege of deflowering the older woman's 13-year-old granddaughter.

And there are anti-black stereotypes enough to fill a Ku Kluxer's klaxon, including one

old and weary enough to slip right by today's audience, which is less expert at these things than its American ancestors. When a young white slaveowner sows his wild oats in a capricious slave-girl, the offspring is a hunchback. Such deformities were predicted by the old slavocracies as the natural wage of such an unnatural act. (Educated opinion held that the children of blacks and whites, being products of two separate species, could not themselves reproduce, as mules, the products of horses and donkeys, could not: hence, *mulattoes*.)

The decision to postpone brought counter-protests from David Gerber, the show's producer, J.P. Miller, its script-writer, and the Caucus of Producers, Writers and Directors of the Directors Guild of America. From this quarter came a charge of "prior censorship," to which the anti-*Beulah Land* coalition responded: "At what point do you attempt to stop a gunman? After he shoots you or when you see him point the gun?"

Then, on August 26, NBC screened the videotape of the show for the coalition and its guests. The group deliberated immediately after the screening and came to its conclusion: "We continue to oppose any program that is racially exploitative and degrading in the name of entertainment." So a stalemate was reached. The coalition renewed its demand that NBC cancel the show and urged its friends to demand that local affiliates reject it. Meanwhile, NBC went on with its plans to air the show Oct. 7, for one of the following reasons: to protect its \$10 million investment; to fill its schedule, hard hit by the actors' strike; to confirm that it has done

enough to satisfy the show's detractors; or all of the above.

## Racist soap.

If you switch through *Beulah Land* or—totally desperate—watch the whole thing, what you will see, according to both its producer and the coalition, is a "soap." But in the eyes of the coalition, it is still a racist soap. Certain scenes have been changed or dropped. The watermelon scene was rewritten as a fishing scene, but, says the coalition, with racist dialogue unamended. The seduction scene that gives birth to the hunchback has been cut. The scene where the slaves reject their freedom has been changed. Now, they eagerly want their freedom, but, as the script has it, Georgia law prevents it. (This last may reflect the input of historians NBC defensively hired as consultants. Still, one of these, black Yale historian John Blassingame, stated that he would not recommend an endorsement by the National Education Association.)

An additional criticism from the coalition, on top of the film's being degrading, is that it is psychologically and politically dangerous. Commenting on the remaining objectionable scenes as well as one where a young white boy tells an adult black man, "You can't tell me what to do, I'm white!," independent black filmmaker St. Clair Bourne says, "It is clear from these examples that those responsible for *Beulah Land* fail to understand what we mean by distorted and dangerous images." The airing of the show, argues the coalition, could contribute to the kind of racial strife that surfaced recently in Miami. It notes that a Boston station refused to air *Freedom Road* on the grounds that it was potential fuel for the racial troubles of that city.

As an entertainment, *Beulah Land* may be forgotten a year from now, except as a boring rerun. In other areas, the fallout may be considerable.

Blacks in the industry sometimes yawn while listening to tales of Hollywood "blacklisting" in the '50s. They know that throughout the industry's history, blacks who have objected to its racism have found themselves suddenly unemployable. Already, Gerber has labeled James McEachin, a black actor from the show's cast, a "troublemaker" for his criticism of the script. Another form of reprisal is to declare themes involving blacks "too difficult" and so reduce the small number

that manage to get screened.

A fortunate but less likely result would be if the media re-examined its attitudes towards black participation before the protests. It was reported in the June 1 Los Angeles *Times* that

**Black actors who protested the original script fear they could be blacklisted.**

of the 1,540 members of the Writers Guild of America (West) working on a weekly basis in television, only four were black.

*Beulah Land* has lit a spark that will not soon go out. Already, in June, the anti-*Beulah Land* coalition gave birth to a permanent Black Anti-Defamation Coalition with offices at 1680 North Vine in Hollywood (where it is, however, in serious need of funds). Its campaign joins the protest of Asian Americans against *Charlie Chan* and *Fu Manchu*, of Indians against *Hanta Yo*, of a multiracial community against *Fort Apache* in a mounting drive against racism in media.

The defenders of *Beulah Land* have tried to cast its attackers as a "special interest group," a frequent brush-off of minority protests these days. But the really special interest here is that \$10 million and the profits it stands to produce.

Nor have reactions to this latest commercial smear been confined to blacks. As Harold Rosenberg wrote in the L.A. *Times* back in March, "My feeling, based on a reading of the shooting script, is that *Beulah Land* shouldn't be made since TV's record in portraying blacks already has a negative tilt. Except for the *Roots* epics and a few other productions, TV's depictions of blacks have not been praiseworthy. There is little on the books to balance an atypical portrayal that could perpetuate harmful stereotyping. What we don't need is a TV version of *Gone With the Wind*."

Clyde Taylor writes a column on the screen for *Black Collegian* magazine.

## CULTURE SHOCK

### IT'S AN ILL WIND...

Defense Secretary Harold Brown sees unemployment statistics as a gift to recruiters, and further has called on Pentagon officials to make sure "no one leaves active duty without knowing full well the current state of the overall job market."

### TIT FOR TAT

The largest foreign investor in the U.S., reports the newly

renovated) *Real Paper*, is the South African Anglo-American Corporation.





# Clark

Continued from page 5.

trols and water and land regulations. When one asks him what his answer is to decaying cities, dying industries, poverty and unemployment, he invariably replies: "Freeing our economy from government red tape and controls will find new investment flooding into the cities, new businesses being started by the less-well-off, more jobs being created."

Basically, Clark and the Libertarians believe that if the 29 percent of the labor force now employed directly or indirectly by government were thrown onto the street, along with the 5 to 10 percent who are already unemployed, a reawakened, unfettered private sector would quickly employ them. American economic history would argue the contrary: that without substantial government intervention, the U.S. would never have gotten out of the Great Depression, and that the only long-term cure for capitalist stagnation is more not less regulation—regulation albeit of a more democratic, socially-minded kind than that which has occurred to date.

For the poor and the unemployed, the Libertarians have little more to offer than the promise of faith. And their promises are little different from Reagan's promises of salvation through Kemp-Roth tax cuts.

The absurdity of the Libertarian economic philosophy becomes most apparent when they talk about the environment. In *For a New Liberty*, Rothbard even argues that there would be less pollution if the air and water were privately owned. "If a private firm owned Lake Erie," Rothbard argues, "then anyone dumping garbage in the lake would be promptly sued in the courts for their aggression against private property." This is a perfect argument—unless the firm used the lake as a garbage dump or chose not to allow swimmers or boaters on the lake, whatever their practices.

There is a philosophical dilemma at the heart of libertarianism: wanting to restore individual freedom, the libertarians try to do so by re-imposing the uncontrolled anarchy of the market. They want to exchange the slavery of the corporate state for that of a society ruled by impersonal economic forces, which in the past have produced their share of war, pollution, poverty and unhappiness. But there remain two features of libertarian economics that set it off from much of the right, center and left and explain much of its appeal. The libertarians acknowledge, more clearly and openly than the cadaverous center, the utter breakdown of current state capitalist institutions. They don't propose phony desegregation agreements as solutions to the rotten urban schools (which are no better than reform schools), and they don't conjure up two-bit aid programs and false hopes to revive the rubble of the Bronx.

And the solutions the libertarians propose, while either inequitable or hopelessly impractical, do involve the restoration of local control. For instance, their proposal to provide a \$1,200 rebate to parents who send their children to private schools is patently inequitable. Clark says it will allow parents and children to "choose the education they think best," but given that most private school tuitions run around \$3,000 a year, it will provide this choice for very few parents indeed. Its net effect would be to leave the poor and the middle class with even fewer desirable options.

But the ultimate libertarian program—the abolition of public schools—is, in effect, a call to start democracy over again, to tear down the facade of bureaucratic control, which is pseudo-democratic, and erect in its place voluntary parent-controlled institutions that would be responsive to neighborhoods and local residents.

The libertarian economic vision is Jeffersonian in its intent. It does not envision a society ruled over by unregulated corporate octopi, but a decentralized society of small businesses and family farms. In its details it is hopelessly anachronistic, but in its appeal to democratic ideals of local control it retains some validity today.

This democratic ideal, shorn of its free-market integument and combined with the libertarian defense of free speech and rejection of empire, may lay the groundwork for renewed cooperation in the '80s or '90s between the libertarians and the democratic left.

# Angola

Continued from page 6.

the rearming of Savimbi has been seriously weakened. Vance, Moose and former American ambassador to the United Nations Andrew Young all opposed aid to UNITA on the grounds that it would greatly undermine American credibility in black Africa, where UNITA is seen as a tool of South Africa.

Meanwhile, the South Africans themselves have increased their aid to Savimbi's forces in the apparent hope of pressuring the Angolan government to diminish its support for the Southwest Africa People's Organization (SWAPO), the guerrilla organization fighting to free Namibia from South African rule.

Increased Western support for UNITA will inevitably provoke a negative reaction in Africa, but that may not count for much in today's climate. In two recent policy decisions to provide arms to Somalia and to Morocco for war against the Polisario guerrillas, the Carter administration ignored overwhelming black African opposition to the decisions. In the Reagan camp, where a number of the candidate's advisers have called for an outright military alliance between the U.S. and South Africa, black African opinion counts for even less.

Jim Khatami works for Interlink Press Service in New York.

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For further information on the movement of CFS, publications including a quarterly international bulletin (\$9.00 per year), and reflection and strategy papers from the U.S. groups, call or write:

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3540 14th Street, Detroit, MI 48208,  
(313) 833-3987

## CALENDAR

### NEW YORK, N.Y.

#### October-November

The fall semester of the SCHOOL FOR DEMOCRATIC SOCIALISM includes classes on The Family, NYC Politics, Making of the American Working Class, History of the American Socialist Party and more by Herbert Guttman, Ron Radosh, Ruth Messinger, Kate Ellis and others. Classes limited, so call or write today for details. School, 125 W. 72nd St., New York, NY 10023, (212) 787-1691.

#### October 23

DRAFT TEACH-IN AT QUEENS COLLEGE, Student Union, 4th fl. Broadcast live on WBAI, 99.5 FM. 12:00 noon: Dave Dellinger, Michael Harrington, Diane Lacy, Admiral Gene LaRocque, Paul Mayer, Ruth Messinger, Jose Rivera, Bill Tabb, George Wald, Cora Weiss, Alan Wolfe. 8:00 p.m.: Wesley Brown, Meridel LeSueur, Denise Levertov, Grace Paley, Joe Cuomo, Coordinator. (212) 520-7800.

### CHICAGO, IL

#### October 11

"MURAL TOUR OF SOUTHSIDE CHICAGO" with Astrid Fuller, a Chicago muralist. Background history of the mural movement as well as stories about individual murals. Saturday, from 2:00-5:00. \$2.00 fee. Call 871-7700 for reservations (by Oct. 8). Sponsored by NAM.

#### October 15

WOMEN IN ARMS—A film depicting the role of women in the new Nicaragua. There will be a discussion following with the producer, Virginia Schultz. Wednesday, 8:00 p.m. Admission is \$3.00. Cross Currents, 3206 N. Wilton. Sponsored by Chicago

Committee in Support of the Nicaraguan People.

### WASHINGTON, D.C.

#### October 17

Benefit Film Showing—"SOUTH AFRICA—THE NUCLEAR FILE"—the role played by the West in creating a nuclear South Africa. Friday, 8:00 p.m.; All Soul's Church. \$2 Donation. Program also includes music by Lucy Murphy and Friends. For—Washington Office on Africa and Southern Africa Support Project. Sponsored by Common Concerns Bookshop/Resource Center.

#### November 20-23

TOWARD THE 21ST CENTURY: STRATEGIES FOR THE DEVELOPMENT AND SURVIVAL OF SELF-MANAGED ENTERPRISES will be the theme of the Sixth Annual Self-Management Conference at the Main Campus of Howard University. For more information contact K.C. Soares or Norris M. Haynes at (202) 636-7437.

### DETROIT, MI

#### October 24-26

UNION DEMOCRACY'S 1ST NATIONAL CONFERENCE at Ramada Metro. Unionists, lawyers, educators, civil libertarians discuss strengthening right of workers to control unions. Speakers include: Ed Sadlowski, Joe Rouh, Chip Yablonski, Msgr. Higgins, Victor Ruether and others. Hear about miners, painters, steelworkers, laborers, truck drivers, government workers, etc. from participants coming from North, South, East and West: California, Alaska, Canada. For information: Association for Union Democracy, 215 Park Avenue South, NYC 10003. (212) 473-0606.

## DIRECTORY

The Directory is published to facilitate contact with organizations frequently referred to in the pages of *In These Times*. Each organization has paid a fee.

**Citizens Energy Project**  
1110 6th Street, NW, #300  
Washington, DC 20001

**The Citizens Party-National Office**  
525 13th Street, N.W.  
Washington, DC 20004

**The Citizens Party of Illinois**  
109 N. Dearborn, Suite 603  
Chicago, IL 60602  
(312) 332-2066

**Coalition for a New Foreign and Military Policy**  
120 Maryland Ave., N.E.  
Washington, DC 20002

**C.O.I.N.-Consumers Opposed to Inflation in the Necessities**  
2000 P Street, N.W.  
Suite 413  
Washington, DC 20036

**DSOC-Democratic Socialist Organizing Committee**  
853 Broadway, Room 801  
New York, NY 10003

**Midwest Academy**  
600 West Fullerton Ave.  
Chicago, IL 60614

**National Center for Economic Alternatives**  
2000 P Street, N.W.  
Suite 200  
Washington, DC 20036

**NAM-New American Movement**

3244 N. Clark St.  
Chicago, IL 60657

**New Patriot Alliance**  
343 S. Dearborn, Room 305  
Chicago, IL 60604

**Partido Cubano Democratico Socialista**  
Exterior Office  
P.O. Box 350805  
Miami, FL 33135  
(305) 638-4880

**Science for the People**  
897 Main Street  
Cambridge, MA 02139

**Socialist Party, U.S.A.**  
Suite 325  
135 W. Wells Street  
Milwaukee, WI 53203

**Working Women**  
1224 Huron Avenue  
Cleveland, OH 44115



# ESOP

Continued from page 24.

petition to the board of directors, meeting the next day, to have half of the board made up of workers or local union officials (only one of the eight seats has been held by a union officer). Boulis rejected the proposal and continues to nominate directors, which employee shareholders can then accept or reject. "Vote your share." That's a laugh," Dennis Nicolas, 37, said as he read his latest shareholder statement. "There ain't one of our guys on there."

## Control.

Although most workers think that Boulis has done well securing sales for the company and performing other management tasks, they deeply resent having no information and no "checks and balances" to give them a "say-so" in their company. Boulis, for example, refuses to divulge his or other top managers' salaries. Workers complain that he has an unlimited expense account and lives lavishly, while they reportedly average around \$7 an hour. "We ask why can't your salaries go down to about \$20,000 a year," Earl Jensen says, "and they say, our standard of living is higher. Our standard of living would be higher, too, if we made more money."

They are also upset at the ways in which Boulis has acquired other companies, such as Schafer Gear, which he bought with South Bend Lathe profits for \$2.5 million in early August and apparently set up as a completely separate entity. Workers are not opposed in principle to such purchases or the investment in production of a new line of computer numerically controlled lathes. "You got to spend money to make money," they acknowledge, but they distrust Boulis and his secretive management, about which they know little and can say nothing. They feel they have rights, reinforced by the public trust implied in the

government aid.

"The government gave the city this grant to save 400 to 500 people," strike chairman Stanley Kwiatkowski said. "So where does that give him all the power? We're not saying we want his job, but the way he's going about it, that's what we're against. We're the ones who produce the product. We should have something to say. If we own the company, we shouldn't have to beg for a nickel or dime raise. We've got to be out on the street, even though we own the company, and management has got salaried personnel in there doing our jobs, pushing machines out the door. He's got scab drivers driving these machines out. They're armed, they're intimidating. And we're paying their salaries. That money is coming out of our shares. When we get back, who knows what our shares will be worth."

Indeed, the unresolved contract issues plus a drop in net earnings of "nearly 20 percent" last year contributed to a decline in the value of each share from \$580 to \$500 according to the company auditor. That change fed feelings of insecurity about the ESOP. With the strike, others worry that the plant could close. "All I've got is a piece of paper that says I have shares," Gordon Sears commented, "but I had a piece of paper that said I had a pension for nearly a quarter of a century, too." And bargaining committee member Bob Newton, pointing to Boulis' acquisition deals,

says, "What's to stop him from building his own little dynasty, dropping South Bend Lathe, and becoming a tycoon, starting with \$5 million in federal money."

The strike issue may be money—the union is asking for a 3 percent raise and continuation of the COLA, Boulis is offering what amounts to a 5 percent raise plus a \$225 Christmas bonus and "roll-in" of one of last year's cost-of-living increases. But everyone recognizes the issue is power—along with democracy, equality and the public trust.

Workers acknowledge the need for people trained in managerial tasks, and despite the problems they still like the idea of the ESOP. But they insist that they must have ultimate control. "I don't want to manage," Deak says. "I'm an electrician trained to do an electrician's job. But we should have a share in profits, we should participate, and my company can't afford a strike. If it can't afford COLA, it can't afford a strike. We either are company owners or we are not. Unless people are made to feel as worker-owners, this will all die."

## Not unique.

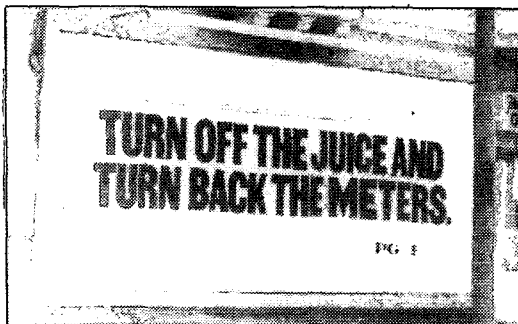
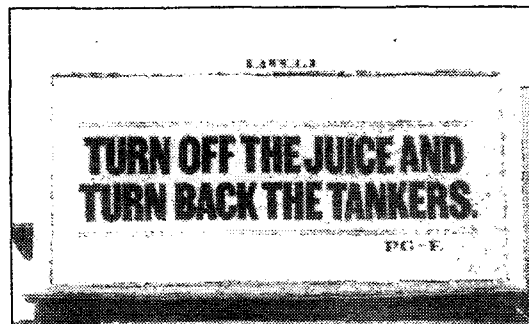
The conflict at South Bend is intense but not unique. A recent General Accounting Office study of a sample of the 3,000 ESOPs in the country showed that many of them—contrary to law—are set up primarily to benefit the managers, not the

workers, and that worker-owners rarely have voting power. But Joseph Blasi, a Harvard instructor and assistant to Rep. Peter Kostmayer, an ESOP proponent, sees the South Bend strike as an opportunity to emphasize the need for worker control.

Some of the bad experiences in recent years were taken into account in drafting the Small Business Employee Ownership Act of 1980, signed into law July 2. The new law specifies that worker ownership should be supported by Small Business Administration loans, not only as ESOPs and co-ops but in various other forms. It strongly recommends against ESOPs being used in place of pension funds, requires that workers have voting control ("pass-through voting rights"), specifies that at least 51 percent of the workers must own 51 percent of the stock (to prevent ESOPs where top managers hold nearly all the stock and reap the tax breaks), and mandates periodic review of the role of employees in management.

The South Bend Lathe strike not only demonstrates the weaknesses of current ESOP arrangements, but also shows that worker-ownership does not eliminate the need for unions, and that workers, given even a slight chance to exercise more control over their workplace, will fight to defend and expand that potential power. "I love my company," union president Deak says. "I want good wages and benefits for the employees of my company." ■

## BILLBOARDS



Thanks to Myra Levy and Charlie Varon in San Francisco. Seen any good ones lately? Send them in.

## CLASSIFIED

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### PUBLICATIONS

**OCTOBER, JEWISH CURRENTS:** Max Gordon, "The 1980 Elections," Editorial, "How Do Jews Vote?" Bob Norman, "Jewish Folk Music Revival," Edythe Lutzker and Carol Jochowitz, "Waldemar Haffkine's School Days," Miriam Greenspan, "Responses to the Holocaust." Single copy \$1.00, Subscription

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in how it's run.



**O**UTSIDE AN OLD RED-BRICK building that once housed part of a huge Studebaker auto plant there is a sign sure to catch the eye of passersby: "Employee-owners on strike." Workers at South Bend Lathe, saved from closing in 1975 when a federal loan enabled an Employee Stock Ownership Plan (ESOP) to buy the factory, appreciate the sign's bitter irony.

"Everybody asks me, 'You're employee-owned—how can you go on strike against yourselves?'" Jim Kaylor, a 30-year-old member of United Steelworkers local 1722, says. "My answer is, 'We're on strike against management—not against ourselves.'" Mainly the 309 production workers are on strike against one man, J. Richard Boulis, president of the company, chairman of the board of directors, chairman of the ESOP committee, a director of the bank that acts as trustee for the ESOP, and the man who appointed all of the original board of directors and the ESOP committee. Even though the employees own the company, and production workers now hold 64 percent of the vested shares, "Boulis controls the business from start to finish," strike committee member Steve Passwater, 26, says. And that's what the owners—workers—don't like.



Boulis' power and the ESOP structure inevitably have become central issues in this strike that started Aug. 25, even if the main bargaining point is Boulis' refusal to extend the cost-of-living protection won in last year's contract. "What keeps cropping up is our role," union president John Deak, for 38 years an electrician with South Bend Lathe, says. "We're either company owners or we're not. I can't be accused of not acting like a plant owner at negotiations when I'm treated like just a worker every other day. If they want me to be involved, it has to be from day one. Why should I become involved with the bottom line when it comes to negotiating our wages when they don't want me involved at the other end of the stick—above the line? Boulis didn't ask me if I could support purchasing a new company or higher salaries for management, but now he asks me to consider the bottom line."

Boulis, who refuses to talk to the press, would only say that the striking employees have "refused to think like owners." Actually, the strikers are finally asserting their putative rights as owners—and workers—after several years of frustration.

People in South Bend, especially the workers at what was then the South Bend Lathe Division of Amsted corporation, thought ESOP was marvelous and Boulis a hero when the plant was saved, especially after years of factory closings in the town. The new employee trust bought the plant with a \$5 million low-interest loan from the city (which had received the money as an Economic Development Administration grant) and a \$5 million commercial loan. The trust holds 10,000 shares of company stock, which are gradually transferred to workers according to how long they've worked and

how much they've earned. As in all the ESOPs, the company benefits from special tax breaks—such as paying no tax on profits deposited in the trust to pay back the loans.

**T**HE INITIAL EUPHORIA brought a 25 percent increase in productivity in the first year, but gradually frustration grew. "The enthusiasm was there," Arnie Schiever, 45, said. "We thought we had something. Also, a lot of it was relief of tension over our jobs. But then we found out we don't have many rights. We can't find information."

The first problem came when a much-disliked Steelworkers union international representative agreed to surrender the pension plan in the transfer of ownership. Many older workers within months or years of receiving a pension lost everything. For several years the Steelworkers have been suing in court to regain the lost pensions. Increasingly, South Bend Lathe workers want a pension plan. They fear—with good reason, according to a study by the Joint Economic Committee of Congress—that the ESOP may not be a secure basis for retirement income. Boulis says the company can't afford it, but when workers can't find out where the money is spent, they grow suspicious.

Problems in running the company mounted, even though financially it was making a solid rebound. The union contract continued for a while, then lapsed. Boulis, who is chairman of the right-to-work committee in northern Indiana, tried to use the ESOP arrangement to eliminate the union—precisely as feared by many national union officials, who are mainly unsympathetic to ESOPs. In November 1977, workers voted narrowly, 137 to 110, to reject a petition to decertify the union. Boulis backed decertification, arguing that since they were all owners, the company should be one happy family.

Another petition for decertification was circulated earlier this year, but with nearly everyone voting, more than 90 percent of the workers approved the union and the strike.

Boulis also rebuffed efforts to expand control by the workers-owners. In one day, more than half the workers signed a

*Continued on page 23.*

